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LEGISLATIVE HISTORY

Public Law 85-459
H. R. 11767

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INDEX AND SUMMARY OF H. R. 11767

Mar. 28, 1958	House Appropriations Committee reported H. R. 11767 without amendment. H. Rept. No. 1584. Print of bill and report.
Apr. 1, 1958	House passed H. R. 11767 without amendment.
Apr. 2, 1958	H. R. 11767 was referred to the Senate Appropriations Committee. Print of bill as referred.
Apr. 17, 1958	Senate Appropriations Subcommittee ordered H. R. 11767 reported with amendments.
Apr. 18, 1958	Senate committee reported H. R. 11767 with amendments. S. Report No. 1438. Print of bill and report.
Apr. 21, 1958	Senate passed H. R. 11767 as reported. Senate conferees were appointed.
May 12, 1958	House conferees were appointed.
May 14, 1958	Conferees met, but did not conclude work.
May 19, 1958	Conferees continued meeting.
May 26, 1958	House received conference report on H. R. 11767. H. Report No. 1776. Print of report.
May 27, 1958	House agreed to conference report, but postponed further consideration of amendments.
May 28, 1958	Both Houses agreed to conference report.
June 13, 1958	Approved: Public Law 85-459.

Public Law 85-452 (H. R. 7870) AUTHORIZATION FOR COMPLETION OF INTER-AMERICAN HIGHWAY (approved June 6, 1958). Amends the Act of July 1, 1955, so as to authorize an additional \$10,000,000 for completion of the construction of the Inter-American Highway.

Public Law 85-454 (H. R. 9291) IMPORT DUTIES ON RUBBER-SOLED FOOTWEAR (approved June 11, 1958). Amends the Tariff Act of 1930 so as to make subject to import duty rubber-soled footwear with uppers composed in greater area of the outer surface of wool, cotton, ramie, animal hair, fiber, rayon or other synthetic textile, or silk, including substitutes for or combination of any of the foregoing (but excluding any other material superimposed). Provides that this amendment shall become effective as soon as practicable, as specified by the President, but not later than September 1, 1958.

Public Law 85-456 (H. R. 12602) TRANSFER OF COTTON ACREAGE ALLOTMENTS DUE TO NATURAL DISASTER (approved June 11, 1958). Amends the Agricultural Adjustment Act of 1938 so as to provide that in counties where 1958 farm cotton acreage allotments cannot be timely planted or replanted because of a natural disaster, the Secretary of Agriculture may authorize all or a part of the farm acreage allotment to be transferred to another farm, except to a farm covered by a 1958 acreage reserve contract for cotton, in the same county or in an adjoining county for the planting of cotton in 1958.

Public Law 85-457 (H. J. Res. 624) ADDITIONAL SUPPLEMENTAL APPROPRIATIONS, 1958 (approved June 13, 1958). Appropriates \$20,000,000 to the Small Business Administration for additional business loans and disaster loans in areas of excessive rainfall, and \$665,700,000 to the Labor Department for additional unemployment compensation payments to qualified persons, including former Federal employees.

Public Law 85-458 (H.R. 7454) FREE IMPORTATION OF RECORDINGS AND FILM (approved June 13, 1958). Amends the Tariff Act of 1930 so as to permit the free importation of sound recordings, slides and transparencies, and to permit certain schools and other institutions to import free of duty any exposed or developed picture film for the encouragement of the arts, science, or education under certain conditions.

Public Law 85-459 (H. R. 11767) DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION ACT, 1959 (approved June 13, 1958). Provides annual appropriations for regular activities for the Department of Agriculture for fiscal year 1959 in the amount of \$1,431,475,653. The Act also authorizes borrowings from the Secretary of the Treasury for loans in the amount of \$594,000,000, exclusive of contingency authorizations. Title II of the Act authorizes the restoration of the capital impairment of the Commodity Credit Corporation in the amount of \$1,760,399,886, and it further provides for a CCC corporate administrative expense limitation of \$35,398,000, of which \$1,000,000 would be available for strengthening the Corporation's sales program. Title III of the Act provides limitations on administrative expenses totaling not to exceed \$3,818,000 for the Farm Credit Administration. Permanent appropriations for 1959 are available in the estimated amount of \$261,064,762. (At the end of this digest is a table of appropriations for fiscal year 1959, including all supplemental appropriations to date, and for 1957 and 1958. Fiscal year 1958 figures on the table include transfers for pay act costs.)

Items of major significance in the Act for the Department of Agriculture, including amounts of increase or decrease over 1958 (exclusive of transfers for pay act costs) are as follows:

AGRICULTURAL RESEARCH SERVICE: \$155,306,598 appropriated, net increase of \$19,993,750 above 1958. Changes include: Salaries and expenses - an increase of \$3,126,250 for research of which \$2,300,000 is for utilization research -- offset by decreases of \$1,882,500, primarily due to elimination of non-recurring construction funds; increase of \$17,050,000 for plant and animal disease and pest control, primarily for the brucellosis eradication program to offset the elimination of \$17,400,000 transferred from the Commodity Credit Corporation for this purpose in 1958; and increase of \$500,000 for meat inspection activities. Payments to States - an increase of \$1,200,000 to strengthen and expand research programs of the State Agricultural Experiment Stations.

EXTENSION SERVICE (principally payments to States): \$63,159,395 appropriated, a net increase of \$2,923,855 over 1958, primarily for payments to States.

SOIL CONSERVATION SERVICE: Conservation operations - \$74,780,000 appropriated (increase of \$2,235,000 primarily to provide for the staffing of new soil conservation districts in 1958 and 1959); Watershed protection - \$25,500,000 appropriated (same as 1958); Flood prevention - \$18,000,000 appropriated (increase of \$4,780,000 to permit acceleration of work on eleven authorized watersheds); Great Plains Conservation Program - \$10,000,000 appropriated (same as 1958).

AGRICULTURAL CONSERVATION PROGRAM: \$235,000,000 appropriated which, together with balances available under the 1956 program, will provide the full \$250,000,000 authorized for the 1958 program. Of the amount appropriated, not to exceed \$24,698,000 (same as 1958) is for administrative expenses. The Act also provides for a program authorization of \$250,000,000 for the 1959 crop year, of which \$2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practice and \$1,000,000 for conservation practices related directly to flood prevention work in approved watersheds.

AGRICULTURAL MARKETING SERVICE: Marketing research and service - \$34,854,000 appropriated (increase of \$5,162,400 primarily for mandatory poultry inspection); Payments to States - \$1,160,000 appropriated (same as 1958); School Lunch Program - \$110,000,000 appropriated (increase of \$10,000,000 to expand school lunch program. Act also provides that \$35,000,000 shall be transferred from Section 32 funds for purchases of agricultural commodities for distribution to schools).

SOIL BANK PROGRAMS: Conservation Reserve Program - \$200,000,000 appropriated (increase of \$37,060,000 primarily for annual rental and practice payments); not to exceed \$16,000,000 shall be available for administrative expenses (a decrease of \$2,000,000); Act also limits payments to producers to \$375,000,000 in any calendar year. Acreage Reserve Program - \$330,000,000 appropriated (a decrease of \$270,000,000).

COMMODITY STABILIZATION SERVICE: Acreage allotments and marketing quotas - \$39,715,000 appropriated (decrease of \$1,000,000 due to reduced operating costs at county levels); Sugar Act Program - \$76,000,000 appropriated (increase of \$8,337,500 for payments to producers).

RURAL ELECTRIFICATION ADMINISTRATION: Loan authorizations - \$384,500,000 consisting of \$317,000,000 for electrification loans (increase of \$138,000,000), and \$67,500,000 for telephone loans (increase of \$7,500,000): In addition, a \$25 million contingency fund was authorized for each program; Salaries and expenses - \$9,019,000 appropriated.

FARMERS' HOME ADMINISTRATION: Loan authorizations for 1959 were the same as for 1958, totaling \$209,500,000. In addition, a contingency fund of \$20 million was established, of which not to exceed \$5,000,000 may be used for farm ownership loans and the balance for farm operating loans; Salaries and expenses - \$29,089,500 appropriated.

~~Public Law 85-462 (S. 734) FEDERAL EMPLOYEES SALARY INCREASE ACT OF 1958 (approved June 20, 1958). Provides an approximate 10 percent increase in the rates of compensation of Federal classified employees, effective the first day of the first pay period which began after January 1, 1958. Provides comparable increases in compensation for employees of the Foreign Service of the State Department, and of the legislative and judicial branches of the Government. Increases from \$16,000 to \$17,500 the salary rate of grade GS-18. Authorizes the Budget Bureau to provide regulations for the absorption of pay increase costs by Federal agencies from applicable appropriations or funds available for 1958 and succeeding fiscal years, to the extent deemed practicable. Provides for Civil Service Commission approval, with certain exceptions, of the qualifications of proposed appointees to supergrade positions. Increase from 1,226 to 1,513 the number of super-grade positions the Civil Service Commission is authorized to allocate to Federal agencies. Authorizes 5 additional scientific and professional positions under Public Law 313, 80th Congress, (up to \$19,000 per annum) for the Department of Agriculture. Redefines the level of difficulty and responsibility of work in grades GS-5 and GS-7 to conform more accurately to current recruiting requirements. Expresses it as the sense of Congress that appropriations for 1959 for extension work and experiment stations should include additional amounts to provide comparable pay increases for persons employed at the stations. Redefines the method for computing the biweekly, weekly, daily, and hourly rates of pay for employees of the executive and judicial branches of the Government. Provides that the pay increases shall be effective on the date of enactment of the bill for the purpose of determining the amount of insurance for which an employee is eligible under the Federal Employees' Group Life Insurance Act of 1954.~~

~~Public Law 85-464 (H. R. 7953) FACILITATE AND SIMPLIFY WORK OF THE FOREST SERVICE (approved June 20, 1958). Provides authority to: raise the limitation on reimbursement (from \$50 to \$2,500, except the limitation is not raised for employees of the Forest Service) to owners of rented equipment under verbal agreement for damages occurring while in use by the Forest Service; contract with private parties to train, work, and care for Government-owned pack stock held in reserve for fire emergency purposes; reimburse employees of the Forest Service for loss of, or damage to, clothing and other personal effects from fires, floods, or other casualties at places of temporary storage while engaged in connection with such casualties; use Forest Service appropriations to cover costs of transporting employees' automobiles between points in Alaska in connection with transfer of official stations; notify employees at isolated locations of serious illness or death of close relatives, and pay costs of transporting such employees to point of nearest public transportation; transfer to States fire-lookout towers and other~~

improvements for fire control when no longer needed by the Forest Service but of value to States in their fire-protective systems, provided the transferred property would revert to the United States if it is not put to the use for which transferred within 2 years after the transfer, or if within 15 years after the transfer it ceases for a period of 2 years to be used for such purpose; broaden existing authority to pay for telephones for official use in private residences; use moneys received, with respect to lands under the administration of the Forest Service, from forfeiture of bond or deposits by a timber purchaser or permittee or from a judgment or settlement of a claim for damages to land or improvements, for the improvement, protection, or rehabilitation work on such lands made necessary by the action which led to the forfeiture, judgment, or settlement; use Forest Service appropriations for payment of all or part of the costs of publishing scientific or technical articles in scientific publications; and increase the present limitation for purchase of administrative sites from \$25,000 to \$50,000 per year.

Public Law 85-465 (S. 72) INCREASES IN CIVIL SERVICE RETIREMENT ANNUITIES (approved June 25, 1958). Provides that the annuity of each retired employee or Member of Congress who, on August 1, 1958, is receiving or entitled to receive an annuity from the civil service retirement and disability fund based on service which terminated prior to October 1, 1956, shall be increased by 10 percent, but no such increase shall exceed \$500 per annum, effective August 1, 1958. Provides a 10 percent increase, up to \$250 per annum, in the annuities of survivors of employees and Members of Congress. Provides that unmarried widows or widowers of employees who had completed at least 10 years of creditable service, who died before February 29, 1948, and who at the time of death were subject to an act for which service is creditable for retirement purposes, are entitled to receive an annuity under certain conditions. Provides that annuities and increases in annuities provided in this Act shall terminate for each fiscal year beginning on or after July 1, 1960, unless Congress should appropriate funds for the continuation of such annuities.

Public Law 85-466 (S. 3093) EXTENSION OF EXPORT CONTROL ACT (approved June 25, 1958). Extends the Export Control Act of 1949, which authorizes the Secretary of Commerce to regulate exports on the basis of standards relating to national security, foreign policy, and domestic shortages, for a period of two years, from June 30, 1958, to June 30, 1960.

Public Law 85-467 (H. J. Res. 427) USE OF LAND FOR 4-H CLUB PURPOSES IN KERR COUNTY, TEXAS (approved June 25, 1958). Conveys the Federal reversionary right to a tract of land in Kerr County, Texas, which was granted to the county for use solely for agricultural purposes, including 4-H Club purposes, for 25 years from 1956, so that the county may also use the property for recreational purposes.

Public Law 85-468 (H. R. 10589) GENERAL GOVERNMENT MATTERS APPROPRIATION ACT, 1959 (approved June 25, 1958). Includes appropriations for the Budget Bureau, Council of Economic Advisers, National Security Council, Office of Defense Mobilization, President's Advisory Committee on Government Organization, Emergency Fund for the President (National Defense), and Subversive Activities Control Board.

Includes general provisions for departments and agencies, during the fiscal year 1958, as follows:

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 31, 1958
For actions of March 28, 1958
85th-2d, No. 51

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HIGHLIGHTS: House committee reported agricultural appropriation bill.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1959. The Appropriations Committee reported without amendment this bill, H. R. 11767 (H. Rept. 1584). p. 5088
Representatives of the Department agencies have been advised in detail of the Committee's actions on the estimates for the Department. Copies of the bill and committee report will be distributed directly to the agency budget offices, as soon as received, pursuant to a distribution list that has been worked out with the Department agencies. The agencies will receive the material at the same time this office will receive it. The material will not be distributed from this office. In general, copies should be obtained from the agency budget offices rather than from this office.
At the end of this Digest are a summary comparison of the Committee actions with the 1959 estimates and with anticipated funds available in 1958., and excerpts from the committee report.
2. GENERAL GOVERNMENT MATTERS APPROPRIATION BILL, 1959. The Appropriations Committee submitted a supplemental report on this bill, H. R. 10589 (H. Rept. 1332, Part 2). p. 5087

3. PURCHASING. The Appropriations Committee reported without amendment H. J. Res. 588, to provide immediate appropriations to Government civilian agencies of up to 50% of the amounts set forth in the Budget for the fiscal year 1959 for the objects "Supplies and Materials" and "Equipment" in order to accelerate planned procurement programs (H. Rept. 1583). p. 5088
4. FORESTRY. Passed without amendment, 218 to 102, S. 3262, to authorize Federal grants to construct Olympic facilities for the 1960 winter games on Forest Service land. Rejected several amendments dealing with the role of the Armed Services in handling the games. This bill will now be sent to the President. pp. 5058-9, 5071-81
5. IMPORTS. Passed without amendment H. R. 11407, to extend for two years the law allowing free importation of personal and household goods brought into the U. S. under Government orders. pp. 5052-3
Passed without amendment H. R. 10112, to make permanent the existing privileges of free importation of guar seed. p. 5053
6. FLOOD CONTROL. Granted the House Conferees on S. 497, the Flood-Control Act of 1958, until midnight, Mar. 28, to file their report. Reps. McGregor, Martin and Fallon discussed the speed with which the committee acted. (p. 5057). The Daily Digest reported: "Conferees, in executive session, agreed to file a conference report on the differences between the Senate and House-passed versions of S. 497, Flood Control Act of 1958." (p. D274).
7. ROADS. Disagreed with the Senate amendment to H. R. 9821, the road authorization bill, and appointed conferees. Senate conferees were appointed Mar. 27. p. 5056
Rep. Curtis, Mass., criticized the increase in the Federal share of matched grants from 50 to 70% of the cost for the \$400 million additional for ABC roads. He stated that such "farm-to-market" roads as might be helped were of "predominantly local interest." p. 5082
8. RECIPROCAL TRADE. Reps. Bailey Hoffman, Kearns, Neal, Bennett (Mich.), and Dorn discussed various aspects of the foreign trade programs and policies of the U. S. pp. 5056, 5083-5.
9. COMMITTEE ASSIGNMENTS. Rep. Westland was elected a member of the Government Operations Committee. p. 5082
10. SOIL BANK. Received from this Department a report on the conservation reserve program of the Soil Bank for 1957. p. 5087
11. INTERNATIONAL ORGANIZATIONS. Received from the State Department the sixth report on the extent and disposition of U. S. contributions to international organizations for fiscal year 1957 (H. Doc. 360). p. 5087
12. RECLAMATION. Received a Mass. Legislature memorial urging Congress and the President to enact legislation expanding the use of artificial irrigation. p. 5089
13. LEGISLATIVE PROGRAM. Rep. Albert announced that on Mon., Mar. 31, the House would consider H. J. Res. 588, to accelerate expenditures for planned procurement programs through advance purchases by Government agencies against eventual 1959 appropriations, to be followed by consideration of H. R. 10589, the general Government matters appropriation bill for 1959, and S. 1740, to authorize payment from the Employees' Life Insurance Fund of expenses incurred by the CSC in assuming and maintaining the assets and liabilities of certain

UNITED STATES DEPARTMENT OF AGRICULTURE

House Committee Bill, 1959, Compared with Budget Estimates, 1959

[Amounts for 1958 include all supplemental appropriations to date; Budget Estimates, 1959, contain Budget Amendments included in H. Doc. 351.]

Agency or Item	Appropriations: : or Loan : Authorizations, : 1958	Budget : Estimates, : 1959	House : Committee : Bill, 1959	Increase (+), or : Decrease (-), House : Committee Bill, 1959 : Compared with Budget : Estimates, 1959
ANNUAL APPROPRIATIONS FOR REGULAR ACTIVITIES:				
Agricultural Research Service:				
Research	\$57,801,140:	\$60,744,890:	\$58,444,890:	-\$2,300,000
Plant and animal disease and pest control	30,082,000:	42,132,000:	41,732,000:	-400,000
Meat inspection	16,826,000:	17,326,000:	24,326,000:	+7,000,000
State Experiment Stations (principally payments to States)	30,603,708:	30,603,708:	30,603,708:	-
Extension Service (principally payments to States):	60,235,540:	60,159,395:	60,159,395:	-
Soil Conservation Service	121,615,000:	124,615,000:	128,615,000:	+4,000,000
Agricultural Conservation Program Service	232,000,000:	235,000,000:	235,000,000:	-
Agricultural Marketing Service:				
Marketing research and service, and payments to States	30,851,600:	36,452,000:	29,352,000:	-7,100,000
School lunch program	100,000,000:	100,000,000:	100,000,000:	-
Foreign Agricultural Service	4,002,300:	4,002,300:	4,002,300:	-
Soil Bank Programs:				
Conservation reserve	162,940,000:	350,000,000:	250,000,000:	-100,000,000
Acresage reserve	600,250,000:	330,000,000:	330,000,000:	-
Commodity Stabilization Service:				
Acresage allotments and marketing quotas	40,715,000:	39,715,000:	39,715,000:	-
Sugar Act program	67,662,500:	76,000,000:	71,000,000:	-5,000,000
Federal Crop Insurance Corporation:				
Operating and administrative expenses	6,376,700:	6,376,700:	6,376,700:	-
Rural Electrification Administration (Salaries and expenses)	9,030,950:	9,019,000:	9,019,000:	-
Farmers' Home Administration (Salaries and expenses)	29,089,500:	29,089,500:	29,089,500:	-
All other	9,153,160:	9,253,160:	9,153,160:	-
Total, Annual Appropriations for Regular Activities:	1,609,235,098:	1,560,488,653:	1,456,588,653:	-103,200,000

Agency or Item	Appropriations or Loan Authorizations, 1958	Budget Estimates, 1959	House Committee Bill, 1959	Increase (+), or Decrease (-), House	
				Committee Bill, 1959	Compared with Budget Estimates, 1959
RESTORATION OF CAPITAL IMPAIRMENT, COMMODITY CREDIT CORPORATION	1,239,788,671	1,760,399,886	1,760,399,886	-	-
CORPORATE ADMINISTRATIVE EXPENSE LIMITATION, COMMODITY CREDIT CORPORATION	35,398,000	36,100,000	35,398,000	-	-702,000
PERMANENT APPROPRIATIONS:					
Removal of surplus agricultural commodities, (30 percent of customs receipts)	220,878,158	232,500,000	232,500,000	-	-
National Wool Act	29,671,679	30,000,000	30,000,000	-	-
All other permanent appropriations	662,000	679,600	679,600	-	-
Total, Permanent Appropriations	251,211,837	263,179,600	263,179,600	-	-
LOAN AUTHORIZATIONS:					
Rural Electrification Administration loans:					
Rural electrification	e/ 179,000,000	f/ 150,000,000	g/ 300,000,000	-	+150,000,000
Rural telephone	h/ 60,000,000	i/ 56,000,000	g/ 60,000,000	-	+4,000,000
Total, Rural Electrification Administration ..	239,000,000	206,000,000	360,000,000	-	+154,000,000
Farmers' Home Administration loans:					
Farm ownership	24,000,000		24,000,000	-	-
Farm operating (Production and subsistence) ..	180,000,000	175,000,000	j/ 180,000,000	-	+34,500,000
Soil and water conservation	5,500,000		5,500,000	-	-
Total, Farmers' Home Administration	209,500,000	175,000,000	209,500,000	-	+34,500,000
Total, Loan Authorizations	448,500,000	381,000,000	569,500,000	-	+188,500,000

a/ House Committee Bill transfers \$7,000,000 from the Agricultural Marketing Service to the Agricultural Research Service for administering the mandatory poultry inspection program.

b/ Includes advance authorization of \$250,000,000 for the 1959 program, an increase of \$125,000,000 over the advance authorization proposed in the Budget Estimates.

c/ In addition, House Committee Bill provides that \$55,000,000 shall be transferred from Section 32 funds for purchases of agricultural commodities for distribution to schools.

d/ House Committee Bill includes provision limiting payments to producers in any calendar year to not to exceed \$300,000,000, a decrease of \$150,000,000 from the Budget Estimates.

- e/ Includes a reserve authorization of \$20,000,000. Including carryover of funds from prior years, it is estimated that loans totaling \$280,000,000 will be made in 1958.
- f/ Including carryover of funds from prior years, it is estimated that loans totaling \$175,000,000 will be made in 1959.
- g/ In addition, contingency fund of \$25,000,000 is authorized.
- h/ Includes a reserve authorization of \$10,000,000. Including carryover of funds from prior years, it is estimated that loans totaling \$93,000,000 will be made in 1958.
- i/ It is estimated that loans totaling \$57,100,000 will be made in 1959.
- j/ In addition, contingency fund of \$20,000,000 is authorized.

EXCERPTS FROM THE COMMITTEE REPORT ON THE DEPARTMENT OF AGRICULTURE
AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1958

The Farm Picture

"Since 1952, farm income from the farm (including increased Federal payments) has gone down. Farm costs have gone up. The cost of the farm program to the Treasury has increased. The take of the 'middleman' has increased. Consumer prices have gone up. Commodity Credit Corporation holdings, despite grants, donations, sales for foreign currencies, and cash sales have increased from \$2.5 billion in January, 1953 to \$7.2 billion in January, 1958.

Employees in the Department have increased more than 17,000 since 1952, from 67,406 as of December 31, 1952, to 85,107 as of December 31, 1957. The cost of operating the regular programs of the Department has increased from \$796 million in fiscal year 1952 to a total of \$1,729 million for fiscal year 1958.

During the period 1952 through 1957, price supports on many agricultural commodities were reduced an average of 20 percent. The figures set forth below show that the economic status of the farmer has been lowered during this period in direct ratio to the reduction in price support levels. These figures are taken from official Department of Agriculture statistical reports which will be found on pages 54 through 71 of Part 1 of the published hearings on the 1959 Budget for the Department."

Elimination of Small Farmer No Answer

"A job in town is no answer to the problems of the low-income farmer, since the record shows that he has averaged only about \$300 per year from such employment. Yet the principal efforts of the Department during the past few years have been directed toward urging farm families to obtain off-farm employment and to move off their small farms.

To leave the farm for town under present conditions would only swell the unemployment rolls now estimated at over 5 million people. As a matter of fact, it may soon be necessary to start thinking in terms of moving people back to the farms where they can at least find food and shelter.

Further, moving the small farmers off their farms will have very little effect on the level of agricultural production. The small farms contribute very little if any to surpluses. According to the record, small farms, which represent 56 percent of the farms of the nation and 20 percent of the acreage, produce only about 9 percent of farm commodities which go into commercial channels.

Therefore--if all small farmers were removed from their farms, and their land were allowed to remain idle, the maximum possible reduction of surpluses would be 9 percent. It is probable, however, that land released from small farms would be added to larger producing units which, being more efficient, would increase production on that land and thereby further increase surpluses."

Government Action to Combat Business Recession

"It is interesting to note that current efforts to combat the business recession are taking the form of additional defense and public works expenditures. It is disappointing to note that no proposals are being made to bolster farm income at the market place.

"A review of the economic history of the United States will show that every economic recession in this country has started on the farm. Every recession has been preceded by a period of reduced income to the agricultural segment of our population. Since agriculture is the principal segment of our economy which generates new wealth, it is inevitable that a prolonged depression in agriculture will eventually reflect itself in more aggravated economic distress throughout the rest of the economy.

The figures above showing the substantial decrease in level of farm prices and farm income since 1952, with its disastrous effect on farm purchasing power, demonstrate a major reason why the nation is experiencing a business recession at the present time. There can be no doubt that reduced income of the farm population now unable to maintain its normal purchases is one of the major reasons that there are an estimated 5 million unemployed workers walking the streets of our major cities today.

In the opinion of the Committee, pump-priming through increased military expenditures is only temporary relief at best. The only action which would have long-range benefits would be to bolster farm income at the market place through price support levels that will assure the farmer a fair return for what he produces. Only by regaining a proper balance between agriculture, industry and labor can we regain a sound economy. It is only through additional income for the producers of raw materials, the foundation of the economic ladder, that our economy can be restored on a basis which will support the rest of our economy at the prosperous level which this country has experienced for a number of years.

This is not a partisan matter. It is a matter which affects every citizen of the United States--and of the entire world. We must preserve our agricultural economy, if we are to protect the economic health of every part of our society."

Operations of Commodity Credit Corporation

"The Commodity Credit Corporation is a 14 billion dollar, United States Government-owned, corporation handling billions of dollars worth of United States investments. Perhaps no group anywhere, not even the commissioners of our regulatory agencies, is subject to as much pressure as are the officers and other people in the Department who run this vast operation. Their decisions involve billions of dollars; and each decision can easily provide hundreds of millions of dollars of profits to private interests, and even determine to which private interests such profits would go with detriment, many times, to other private-interest competitors. Many millions of dollars in losses to the Government can follow decisions, which are charged up to the farm programs.

Certainly, the officers of this huge Corporation should be ever aware that as such officers they have a responsibility to protect the people's investment of billions of dollars in the assets of the Corporation.

Our hearings indicate that in recent years such responsibility, in numerous instances, seems to have been overlooked to a considerable degree. Major administrative decisions appear to have been made prior to and sometimes without a thorough and objective opinion from the General Counsel. Copies of several legal opinions, submitted to the Committee, show little objectivity

as to the law, but appear to have been written to support or underwrite desires or even prior decisions. In at least one instance, such an opinion amounts to little more than an expression of opinion that the Corporation could get by with such action as is contemplated.

These recommendations are made because of the magnitude and importance of this Corporation and are believed sound. They are not to be taken as a reflection on any individual, but rather on the system."

Need for Formal Hearings

"After hearings on the operations of this Corporation, the Committee is convinced that the Department should provide for formal hearings, with notice given in advance, on any major action or change of policy being considered by the officers of the Corporation. Such hearings should be printed and released to the public, together with copies of any orders issued and reasons therefor.

For the protection of the officers and other top level employees, such officers and employees should be required to report any contact or efforts by any firm or individual to influence them; and such report should be made a matter of public record."

Necessity for Continuing the Present Export Sales Program

"The charter of the CCC provides, and has always provided, for sale of all Corporation-owned commodities in world trade at competitive prices. For years the Department did not use this authority, but offered such commodities at a fixed price, which resulted in holding an umbrella over world markets and a greatly increased world production. The amount of increase in foreign production during this period when the Department held United States commodities off world markets, as shown by an investigation of this Committee is staggering.

At the instance of this Committee, in 1954 the Department finally offered a limited number of commodities at competitive prices in world markets, selling them for approximately 485 million American dollars. Subsequent to that, under urging by the Committee the Corporation finally, in 1955, offered all commodities held by it, except cotton, in world trade at competitive prices through regular trade channels. This action came after the Committee, in its report, had provided special funds for a sales manager and a sales program, pointing out that the Corporation was derelict in having no real sales policy and no sales manager. The resulting sales for dollars reached the high level of \$2.2 billion for the fiscal year 1955.

In January 1956, under continuing pressure from the Committee, the Department under its general authority, finally offered one million bales of cotton in world trade at competitive prices. Officials expressed the hope that they might sell this million bales within six months. Actually, the cotton was sold for dollars in less than two months. Thereafter, for a period of months, Department officials kept promising to make further offerings. Holdings of the CCC, including cotton under loan, had reached 13.4 million bales on December 31, 1955. After three successive dates on which officials of the Department had promised to seel but failed to do so, the Congress passed the Export Sales Act of 1956, requiring the Department to use its existing authority to sell cotton and other commodities competitively, in order to regain and retain world markets. In such Act, Congress directed that United States

supplies, surplus to domestic demand, be made available to the buyers of the world on a competitive basis, as authorized in the Charter of the Commodity Credit Corporation. The new policy was accepted abroad and, in the judgment of the Committee, gave confidence to users of American commodities that the U.S.A. would continue to produce cotton and other commodities, and would make Government stocks available in world markets on a competitive basis.

In fiscal year 1956, exports for dollars totalled \$2.1 billion, including 1,177,842 bales of cotton. In fiscal year 1957, exports for dollars reached a total of \$2.8 billion, including 7,764,962 bales of cotton. These exports for dollars were under the competitive sales program, always authorized but not used until insisted upon by this Committee. These commodities moved through regular trade channels."

Proposed Substitute

"The Committee has been distrubed during the present hearings to find that the Department is contemplating the elimination of this competitive sales program and the substitution of an export subsidy arrangement, whereby the stocks of CCC, assets of the Corporation, would be transferred to American exporters who exported commodities from their own stocks.

From the testimony, it is not clear that authority exists for thus disposing of CCC assets, with the exception of wheat, where the CCC has additional authority under the International Wheat Agreement.

This action is being planned, notwithstanding the proven value of the competitive export sales program, and notwithstanding the requirements of the Agricultural Act of 1956.

The Department urges this change for cotton, because of a shortage of cotton for export needs. Yet the hearings show that 2 million bales of CCC cotton heretofore sold and committed to the export market have not been shipped out of the country. In addition, the CCC has on hand now more than 1.5 million bales and holds loans on more than 3 million bales, subject to call by August 1, 1958. This makes a total of 6.5 million bales now in this country which could be used to meet export market needs.

These facts raise questions as to whether the need for an additional system for exports is as acute as has been claimed. The Department testified that a considerable part of this cotton is of inferior grade and quality, for which there is little demand. It follows, however, if the Corporation does not sell such cotton during a period of relatively short supply, it is doubtful if it will ever sell.

The Committee points out that, in order to preserve the full authority of the Corporation to support farm prices, and in order to protect its capital structure, the Congress is now required to restore to such Corporation the difference between what it has invested and what such commodities sell for. But under the export subsidy, with payment in kind proposed, the Congress would be required to appropriate sums equal to the full amount such Corporation has invested in commodities transferred to private firms or individuals.

These facts, when taken with the obligation of the officers of the Corporation to protect its assets and its capital impairment, and thereby hold down appropriations from the Treasury, raise further doubts as to the wisdom of substituting this proposal for the proven competitive sales program.

"The Committee is of the opinion that such a program, as a substitute, in no way compares with the soundness of the present competitive sales program. Such a proposal if substituted for the competitive program, could do untold damage to the confidence we have gained with the foreign buyers and users of American products and would lead them, once again, to believe that there was no consistency in U.S. policies on sales, and that they would have to expect changes from year to year.

The Committee would point out that other countries sell what they produce and don't need at what the market will bring. Under such program, which we have effectively used in recent years, the buyers have the opportunity to support the world price by their bids, whereas under any export subsidy program our Government would take the responsibility for fixing the price. This would create dangers of once again holding an umbrella over world markets. Further, the designation of the differential as a subsidy would be the basis of a charge by our competitors that we were dumping.

The Committee also would point out that any fixing of an export subsidy, without a continuance of present competitive sales from CCC stocks, would lend itself to all kinds of pressures from international operators and domestic mills. Such a subsidy could be reduced to a point of creating a virtual embargo on exports, or it could be increased to give a real bonanza to exporters. In the absence of competitive sales by CCC, it could enable, or at least provide an opportunity for the 'trade', particularly the international firms, to manipulate both domestic and world prices, and could lead to an umbrella over foreign production and expansion. It could easily be to the interest of such international firms to raise world prices by holding United States commodities off world markets, thereby enabling themselves to make profits on their holdings in other countries, to the detriment of American producers.

The Committee would point out that Section 201 (a) of the Agricultural Adjustment Act of 1956, contains the following directive:

The Commodity Credit Corporation shall, as rapidly as possible, consistent with its existing authority, the operation of the price support program, and orderly liquidation, dispose of all stocks of agricultural commodities held by it.

That directive is clear and the substitution of any program for competitive sales which did less than that called for would not be in line with the intent of the Act and would, therefore, be illegal.

The Committee would point out, based on many years' experience, that if any such program of export subsidy were substituted, it would risk domination and control and limitation of export sales by the State Department, which frequently reflects the pressures from other governments.

The Committee is also of the opinion that any such program might enable the trade to withhold offerings in world trade until they forced the Department to increase such subsidy, paid to the trade, to such levels as the trade might demand. This would lead to increased cost to the Government and increased profits to certain members of the trade. If such actions were taken it would constitute an invitation for expanded foreign production.

"On the other hand, as has been pointed out, such export subsidy could be reduced to such a low level by the Department as to constitute a virtual embargo on exports, thus depriving U. S. producers of their fair share of world markets.

Also, it is pointed out that any such export subsidy, if fixed or firm, would again constitute an umbrella over production which would enable producers in foreign countries, numerous Americans among them, to hold their offering prices just under the U. S. offering price and thereby obtain the sales.

Because of these weaknesses and other dangers inherent in the export subsidy program, it becomes even more essential that we retain the competitive sales program as protection. In the opinion of the Committee, any new export subsidy or other means of export should not be substituted for the policy of offering CCC commodities for export on a competitive bid basis through regular trade channels.

Whether the Department should work out its proposed export program with payment in kind, if determined to be legal, as an additional means to be used only so long as the CCC sales program on a competitive bid basis is being used, has not fully been determined by the Committee. We are convinced, however, that such a program, without the present competitive sales program by CCC to protect against the dangers inherent in the export subsidy payment in kind approach, could lead to disaster.

The Committee therefore insists that it is essential for the protection of the assets of the Corporation, for its discharge of its responsibility under the law, and for the protection of the American farmer's fair share of world markets, in order to give assurance to foreign users of American commodities that the U.S.A. will continue to make its commodities available on world markets at truly competitive prices, as authorized and directed by law, that the sales program on a competitive bid basis--with exports through normal trade channels--be continued, whatever additional programs may be used to complement such program.

In view of Congressional interest in a consistent sales policy, the sales manager is directed to report monthly to the Speaker of the House, and to the appropriate committees of the House and Senate, the policies, activities, and developments, including all sales and disposals, with regard to each commodity which the Corporation owns or which it is directed to support."

Reclassing

In connection with the export sales program on cotton, the Committee urged the Department to sample and reclass such cotton prior to offering, in view of the fact that some of this cotton had been held for 6 or 7 years. The Department insisted it could not sample and reclassify this cotton in advance of sales. The records show, however, that immediately upon selling this cotton to American firms for export, many of them being international firms, the Department did then reclassify the cotton and made rebates in the sum of \$135,677,036 to these firms, the names of which appear in the hearings on pages 1676-1678 of Volume 3.

According to information of the Committee, many of these firms which purchased this cotton and received rebates by virtue of a reclassification downward sold this cotton in world markets at classifications or grades equivalent to

or in excess of the original classification. Whether the same situation exists with regard to other commodities has not been explored by the Committee.

In the interest of retaining confidence in the classing service of the Department, and in the integrity of the operations of the Commodity Credit Corporation, any reclassing which should be in order in the future should be made in advance of sale so as to avoid the payment of rebates.

Such a situation as has existed raises serious questions as to whether the assets of the Corporation are being protected fully, and lends itself to other serious questions. Any reoccurrence should be prevented.

Catalogue Now

To make cotton now under loan and in CCC hands available for export at the earliest possible date, the Department is directed to catalogue, prior to July 31, 1958, all loan cotton now in its hands."

Extension of Requirements to Export

"Under the Agricultural Act of 1956, providing for substitution, the purchasers made bond in the amount of 30 percent of the value, to insure export of such cotton within a definite period after purchase. Department witnesses testified that consideration was being given to an extension of time under such bond.

In view of world needs for American cotton, and our short supply, as testified to by the Department in supporting its proposed program of payment of an export subsidy in kind, this extension so far as our hearings are concerned appears to be of doubtful benefit to the Government, though it might be of benefit to the trade.

It is to be noted that such extension of time in which buyers could export might raise serious questions as to whether future commitments and bonds would mean anything. It is the Committee's belief that, should such extension be granted, the Commodity Credit Corporation should demand a premium per bale, or a fair share of any profits made, or some other proper consideration for such extension, if the integrity of the competitive sales program is to be retained."

Additional Facilities

"A number of specific proposals for the establishment of new facilities to meet the needs of various parts of the country were brought to the Committee's attention by Members of Congress and others. Attention is directed to Part 5 of this year's hearings for further details on each proposal.

The Committee recognizes that many of these proposals would make a valuable contribution to the work of the Department and those cooperating in its programs. If it were possible to do so, the Committee would recommend funds in this bill for many of these facilities. Budgetary restrictions, and the fact that the regular operating expenses of the Department have increased from \$796 million in fiscal year 1952 to \$1,729 million in fiscal year 1958, has limited what the Committee feels it can recommend in this bill.

Also, a number of instances of inadequate housing and examples of inadequate facilities for agricultural activities which have been centralized have been called to the attention of the Committee. One such example is at Amarillo, Texas.

In view of present Federal efforts to embark upon an expanded program of public works, it may be desirable to undertake some of these projects. The Secretary is urged to review these various proposals for possible presentation to the Bureau of the Budget and the Congress. In the opinion of the members of the Committee, the priority of such projects is as high, or even higher, than many of those now being undertaken.

It is pointed out, too, that the Department has authority to move funds from finished projects to new work and to transfer up to 7 percent among appropriations. It is possible that the more urgent of these needs can be met through this means, within funds presently available."

Agricultural Research Service

"Research.The 1959 budget proposed an increase of over \$10 million for utilization research, \$4,600,000 by direct appropriation, \$805,000 by transfer of funds from various production research activities, and approximately \$5 million through the use of Public Law 480 funds for utilization research in foreign countries. The Committee is in agreement with the use of foreign currencies for utilization research abroad. In addition, it has provided in the amount recommended for this appropriation, an increase of \$2,300,000 for utilization research. This will make available a total of over \$20 million for utilization research during the coming year, including the proposed use of Public Law 480 funds. In addition, \$2,000,000 is available for utilization research by the Forest Service.

The Committee action provides for restoring the funds to the various production research programs proposed to be curtailed to expand utilization research. It is believed unsound to eliminate these activities, in view of the valuable contribution they have made through the years, not only to those engaged in agriculture, but also to the people of the entire country. It is generally agreed that the economic stress now being experienced by agricultural producers throughout the country would be considerably worse, had it not been for the increased efficiency in production which has resulted from this type of research. The Committee believes fully in the value of utilization research. It believes, however, that the additional funds in this bill, together with those proposed to be spent from Public Law 480 sources, will provide adequate expansion in utilization research in the coming year, without the additional transfer proposed in the 1959 budget."

" In the interest of a more effective meat inspection service, and in view of the increased efficiency which should result from consolidation of similar activities, the Committee recommends the consolidation of the regular meat inspection service with the new inspection service for poultry and poultry products. While separation of these activities may have been advisable when one inspection service was on a mandatory basis and the other on a purely voluntary basis, now that they are both mandatory the Committee feels that they should be consolidated into one operation. The merging of the two services should result in greater efficiency and in additional flexibility needed to

meet peak workload periods. The same type of personnel will be needed for both types of inspections, generally. Further, there will be many areas where both types of plants can be served by one group of inspectors."

Soil Conservation Service

"Conservation operations.In view of the fact that the basic law guarantees the services of soil conservation technicians to all districts, new as well as existing districts, the Committee feels that some expansion in funds and personnel is warranted each year as new districts come into the program. Further, in view of the increased amounts requested by the President for the watershed protection and flood prevention program, in line with the proposal to increase public works expenditures generally, it is essential that the Soil Conservation Service be staffed with adequate well-trained technicians.

Accordingly, the Committee has increased this appropriation by \$2,500,000 to assure sufficient technicians to staff existing districts properly and provide technical assistance to new districts as they are established. Also, the additional funds are provided for adequate technicians to advise and assist in the planning and construction work on the eleven major watersheds authorized in 1944, which are still only about 24 percent completed, and on the small upstream watershed projects under the 'pilot' program and Public Law 566, 83rd Congress."

Agricultural Conservation Program

"The President's budget proposed to reduce the advance 1959 program authorization from the \$250 million level which has been in effect since 1955 to \$125 million for the coming year. This is the third time that the budget has recommended a decrease below \$250 million since 1953.

The Committee has restored the full \$250 million program for 1959. Testimony from 'dirt farmers,' as well as from farm organizations and others, demonstrates fully the importance of this program to the agricultural producers of the nation, especially in these times of serious economic stress in agriculture. This testimony, which is included in Part 5 of this year's hearings deserves the attention of all who are interested in agriculture."

"It will be recalled that last year the Committee combined all soil and water conservation appropriations into a single item to provide more administrative flexibility and encourage eventual consolidation of the various conservation programs of the Department into a single effort. The Committee has not combined the funds for these items in the bill for fiscal year 1959 because of some of the technical differences between the various programs. It still believes, however, that eventual consolidation of the agricultural conservation program, the conservation reserve program, and the great plains program is desirable. It is believed that changes in the agricultural conservation program to allow more flexibility in the Federal share of cost-sharing practices and to permit contracts for a longer period than one year would make such consolidation possible. The Committee strongly urges the Secretary to study this matter between now and next January with the view to presenting the 1960 budget on this basis.

In the conference report on the 1958 appropriation bill, the conferees directed that no changes be made in the 1958 agricultural conservation program to restrict eligibility requirements or delete cost-sharing practices included

in the 1957 program. This action was taken in view of information received by the conferees that some change in program was contemplated. The Committee has been assured by responsible officials of the Department that this directive was followed, and evidence presented to the Committee indicates that no changes were made in the 1958 program.

The Committee feels that the 1959 program should be continued on the same basis as the 1957 and 1958 programs. It is convinced that a program which has been accepted by over 1¼ million farmers, where there has been discretion at the local level to select those practices of the most benefit to each locality, should not be changed. It believes that this method of operation provides the freedom from domination by Washington which the Secretary of Agriculture advocates.

The Committee also wants to commend the county committee system, where locally elected officials control local operations. This democratic procedure is probably the most effective means that can be devised of getting conscientious and effective participation at the local level. Generally speaking, those who earn all or a portion of their living by tilling the soil are the best qualified to determine the conservation practices needed in each locality, see that they are applied in the most effective manner, and assure that the American people get the greatest possible amount of conservation for the tax dollar spent through this program."

Agricultural Marketing Service

"School Lunch Program.In addition, the Committee has included language in the bill to transfer \$55,000,000 from Section 32 funds to Section 6 of the school lunch program to assure a more adequate supply of foods for school lunches. In the use of these additional funds, attention should be given to the purposes intended by the legislation establishing the Section 32 program, i.e., the purchase of temporary surpluses which may have a depressing effect on the market."

".....The Committee has also been concerned by the fact that some of the commodities which have been urgently needed by the school lunch program due to expanding school enrollments have been sold to foreign countries for foreign currencies under Public Law 480. While this practice is authorized by law, it feels that failure to make these foods available to the school children of America is a serious mistake."

Foreign Agricultural Service

"This Service has done an excellent job in recent years. It has established an effective agricultural attache service, with particular attention to the development of expanded foreign markets for American agricultural products. In addition, under separate funds established by this Committee several years ago, it has developed a more effective program for obtaining statistics and information on foreign agricultural production and competitive sales in world markets and has made such information available to those who need it.

The Committee has reason to believe, however, that in the conduct of its activities under Public Law 480, too little attention is being given to competitive sales for dollars. There is evidence that Public Law 480 disposals

are frequently given preference over competitive sales. In this connection, the Committee wishes to repeat that the only sound way to regain and retain foreign markets is through competitive sales. As has been pointed out by the Committee many times, the charter of the Commodity Credit Corporation has always provided for sales in world markets on a competitive basis. The probable cause for continued stressing of dispositions under Public Law 480 is the lack of a consistent policy by the Department in favor of competitive sales."

Soil Bank Programs

"Conservation reserve. Since the Secretary now says that control of production by reduction of acreage will not work and has recommended ending the acreage reserve program, serious questions are raised as to the continuation of the conservation reserve on the present basis. Even if production controls were desirable there is some room to doubt as to whether this approach would bring about the desired results.

From evidence before the Committee, it appears that most of the land placed in this program is marginal land which has never been productive. A special survey made last fall by the Committee, which was printed in Part 1 of this year's hearings, shows that the heaviest participation has been in limited areas of the country. It shows further that 10 percent of the total acreage in the 1957 program was in 14 counties of the Great Plains area which were dropped from the crop insurance program several years ago due to extremely heavy losses.

Further, evidence before the Committee raises questions as to the value of the program as a conservation program. A total of less than 100,000 people participated in the 1957 program as compared to 1 $\frac{1}{4}$ million participants in the agricultural conservation program. Also, the Federal payment for conservation practices under the conservation reserve, where the Government also pays annual rental on the land, is much higher than for ACP--up to 80 percent for some practices....."

" In order to put this program on a more sound basis, and in order to keep it in line with other conservation programs of the Department, the Committee has included language in the bill which will limit the rate of payment in any one year to 20 percent of the value of the land and will prohibit payments to participants who illegally divide their land to increase their payments. The proposed language will also make the Federal share of payments for conservation practices comparable to rates established for the agricultural conservation program.

The Committee also directs that 50 percent of the funds transferred from this appropriation to the Office of General Counsel shall be used for the specific purpose of checking contracts to determine legality in cases where actions may have been taken to evade limitations in the Act or administrative regulations, or where there may have been misrepresentation in fixing rates or other contract terms"

Federal Crop Insurance Corporation

" Although losses were heavy in a few areas in 1957, latest reports indicate that income will exceed indemnity payments by about \$5.7 million. Generally, the principal causes of loss in 1957 were drought, plant disease, excessive moisture, and freezing. In view of rather heavy losses during the several previous years due to floods and drought, particularly in the Great

Plains area, the reported net profit for 1957 is especially encouraging. This is particularly true, since it seems preferable to continue this program as a means of meeting agricultural disasters, where the producers participate, rather than to appropriate large sums of Federal money in the form of disaster relief."

Rural Electrification Administration

"Loan authorization--...The loan fund estimates submitted to Congress in the regular Budget in January were based on the assumption that Congress would enact into law proposed legislation which provides that the local REA cooperatives will obtain a portion of their loan funds in the future by borrowing from private sources. The principal provisions of this bill, recommended by the President and the Secretary of Agriculture, but not yet officially introduced by any member of Congress, appear in the hearings on pages 1847-1848 of Part 3.

It is to be noted that, under the terms of the proposed legislation, the operating costs of the REA cooperatives would be increased through a substantial increase in interest rates. Further, the legislation would increase the Government's liability to the private lenders and would make it possible for the first lien, which the Government now has on the approximately \$3.6 billion in assets of the REA cooperatives, to be surrendered to purchasers of the debentures or bonds issued by the REA. This could lead to the taking over of this great program by foreclosure by the purchasers of the bonds or debentures and could result in the complete loss of these valuable assets to the Federal government.

The Committee wishes to go on record at this point as strongly opposing any such proposed change in the law. It can see no possible benefits to the REA cooperatives and it can foresee the possibility of enormous losses to the taxpayers if such legislation were adopted. It is to be noted that so far no one has introduced such proposed legislation in the Congress.

The Committee is of the opinion that the REA program as it now exists is sound. It has extended electric service to rural America to the point where 95 percent of all rural residents are now served. It has furnished electric power for agricultural purposes at a cost which agricultural producers can afford. Furthermore, it has set an enviable repayment record, in that the rate of repayment on loans made to date, including interest, exceeds 100 percent of maturities due.

The Committee can understand why there are some in this country who would like to take over the first lien on the properties of this large and successful operation. It feels, however, that the interests of the taxpayers must be protected against such possibility, since the taxpayers' money has been used to establish this program and build it up to its present level of operation.

In order to assure that adequate loan funds are available during the coming fiscal year, the Committee is recommending \$300,000,000 for electrification loans and \$60,000,000 for telephone loans. In addition, it has provided a contingency fund of \$25,000,000 for each program, if needed. Based on the best estimates available from REA sources, these amounts appear to be sufficient to cover a full year's needs. If applications exceed present estimates, however, the Committee will consider the need for additional funds at a later date.

"The Committee does not feel that its recommendations for this purpose for the coming year should be based on the remote possibility that the proposed legislation which provides for financing through private sources will be enacted into law. It feels that sufficient loan funds should be made available by the Congress in this bill to cover all loan applications which will be approved by the REA during the next fiscal year. Since these loan funds will be repayed in full, plus interest, to the Treasury of the United States, and since no funds are drawn from the Treasury until loan applications are approved, regardless of the size of authorizations provided by Congress, there is no sound reason for not providing sufficient loan authorizations to meet all foreseeable needs. It is pointed out again that these loan funds are secured by a first lien on the lines and equipment of the REA cooperatives."

Farmers' Home Administration

"Loan authorizations.-- ... The 1959 Budget proposed to consolidate the loan funds for all these programs into one amount and reduce the total to \$175 million. The Committee has not approved the budget recommendation on this matter. It feels that the past practice of authorizing a specific amount for each program should be continued.

If the Department feels that some latitude is needed to transfer funds from one category to another, the Committee is willing to consider such proposal. However, it cannot go along with the proposal which would make it possible for the full amount of the combined authorization to be used for one program at the expense of the others. For example, under the 1959 budget proposal, the Department could spend the entire \$175 million requested for one type of loan program. The entire amount could be used for soil and water conservation loans for which a maximum of \$5,500,000 has been provided heretofore."

Office of the General Counsel

".....The Committee is of the opinion that in recent years this office has failed a number of times to render objective opinions on legal questions. This appears to be based on determinations by Departmental officials prior to a request for formal legal opinions, with the General Counsel being asked subsequent thereto render formal opinions to support determinations made or actions already taken. This has led this Office to be used largely to bolster administrative policies and decisions.

An illustration of this is the position taken by the General Counsel with respect to developments under the 1958 Acreage Reserve Program. Despite language in the Soil Bank Act which provides that --

The limits within which each farm may participate in the acreage reserve program shall be established in such manner as the Secretary determines is reasonably calculated to achieve the national reserve acreage goal and give producers a fair and equitable opportunity to participate in the acreage reserve program, taking into consideration their acreage allotments or farm base acreages, whichever may be applicable, the supply and demand conditions for different classes, grades and qualities of the commodity, and such other factors as he deems appropriate --

the General Counsel held officially that farmers who went to the place designated for the sign-up, within the time specified by the Department, could be denied their right "to participate on a fair and equitable basis" by the

Secretary surrendering his responsibility to various State committees. While this decision may have served to support the Department's refusal to scale back rates offered or limit acreage within the \$500 million program announced last year, it appears erroneous to a majority of the members of the Committee. This decision led directly to spending \$250 million additional in the acreage reserve program above that authorized by Congress last year.

The Committee and the Congress were required to protect the rights of such farmers under the law, after the Department refused to take any action, by including an additional authorization in the Second Supplemental Appropriation Act of 1958. Such emergency action would not have been necessary, however, if an objective opinion had been rendered in this case by the General Counsel. The Committee has also taken exception in recent years to several other important decisions rendered by the General Counsel on the basis that they were not objective, but rather sought to serve the purposes of the officials requesting the decisions.

The Committee has not approved the \$100,000 increase recommended in the Budget in the belief that there should be a change in the basic concept of the duties of the General Counsel before further expansion is approved."

Office of the Secretary

"..... The Committee recommends \$2,668,895 for fiscal year 1959, an increase of \$8,235 in the Budget and an increase over the amount appropriated for the current fiscal year. This increase is a transfer from the Office of Information and is provided to cover the preparation and distribution in this Office of speeches by the Secretary, the Under Secretary, and the various assistant secretaries, work heretofore performed by the Office of Information. The Committee believes that all funds and personnel used for preparation and handling of speeches of these top officials should be located in the immediate office of the Secretary.

During the past recess of Congress, the Committee conducted a study of the activities of the Office of Information in connection with the preparation and distribution of speeches by the Secretary and his immediate assistants. Based on this study it is estimated that a total of \$41,179 has been spent to prepare and distribute the Secretary's speeches since January, 1953. This averages about \$8,235 per year.

The Committee questions the use of funds and personnel of the Office of Information for speech writing and distribution. Many times such speeches are of a political nature, frequently they contain only a portion of the story and present only limited factual information, and are detrimental to maintaining confidence in the Office of Information.

Language has been included in the bill to permit the charging of travel expenses of hearings examiners to the various funds which finance the subject matter of the hearings conducted through this appropriation. This arrangement seems to be the most satisfactory way to meet the large fluctuations in workload for the different programs, which are hard to predict in advance. The Committee requests that it be kept advised of the use of this authority by the Department."

DEPARTMENT OF AGRICULTURE AND FARM CREDIT
ADMINISTRATION APPROPRIATION BILL, 1959

MARCH 28, 1958.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. WHITTEN, from the Committee on Appropriations, submitted the
following

R E P O R T

[To accompany H. R. 11767]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year 1959. The bill covers estimates contained in the 1959 Budget on pages 134–140 and 295–373, as amended by House Document No. 351, dated March 12, 1958.

This bill provides direct annual appropriations of \$1,456,588,653 for the regular activities of the Department (Title I of bill). This amount is \$152,390,195 less than funds provided for these activities for the fiscal year 1958 and is a reduction of \$103,900,000 in the budget estimate.

Also included in the bill is the sum of \$1,760,399,886 to restore capital impairment of the Commodity Credit Corporation through June 30, 1957, under price support and related activities. It should be noted that only \$739,606,640 of this amount represents losses on commodities handled. The balance, over \$1 billion, is for storage and handling, transportation, administration, and interest costs, all of which were paid to other than agricultural producers.

The bill also includes loan authorizations for the Rural Electrification Administration and the Farmers Home Administration of \$569,500,000, which compares with \$448,500,000 available for the current

fiscal year. These amounts are not appropriations—they are authorizations to borrow from the Treasury sufficient funds to meet the loan programs of these agencies. These loans are repayed within a period of 35 years with interest. Repayments for prior year loans are increasing to the point where they will soon equal the amount of new loans made available each year.

The following summary sets forth Committee action with respect to various funds in the bill. A tabulation will be found at the end of this report containing the figures for each agency and appropriation.

Item	Approved 1958	Budget 1959	Recommended in bill	Comparison	
				Approved 1958	Budget 1959
Regular activities.....	\$1,608,978,848	\$1,560,488,653	\$1,456,588,653	—\$152,390,195	—\$103,900,000
Corporations.....	1,239,788,671	1,760,399,886	1,760,399,886	+520,611,215	-----
Special activities.....	843,076,238	(1)	-----	—843,076,238	-----
Loan authorizations.....	448,500,000	381,000,000	569,500,000	+121,000,000	+188,500,000
Farm Credit Administration.....	(5,575,000)	(3,818,000)	(3,818,000)	(—1,757,000)	-----

¹ No estimate included in 1959 budget. Amounts totaling \$1,745,631,868 contained in 2d Supplemental, 1958.

THE FARM PICTURE

Since 1952, farm income from the farm (including increased Federal payments) has gone down. Farm costs have gone up. The cost of the farm program to the Treasury has increased. The take of the "middleman" has increased. Consumer prices have gone up. Commodity Credit Corporation holdings, despite grants, donations, sales for foreign currencies, and cash sales, have increased from \$2.5 billion in January, 1953 to \$7.2 billion in January, 1958.

Employees in the Department have increased more than 17,000 since 1952, from 67,406 as of December 31, 1952, to 85,107 as of December 31, 1957. The cost of operating the regular programs of the Department, including Forest Service appropriations not included in this bill, has increased from \$796 million in fiscal year 1952 to a total of \$1,729 million for fiscal year 1958.

During the period 1952 through 1957, price supports on many agricultural commodities were reduced an average of 20 percent. The figures set forth below show that the economic status of the farmer has been lowered during this period in direct ratio to the reduction in price support levels. These figures are taken from official Department of Agriculture statistical reports which will be found on pages 54 through 71 of Part 1 of the published hearings on the 1959 Budget for the Department.

PRICES RECEIVED AND PAID BY FARMERS

Prices received by farmers at the market place have gone down to a very low level since 1952. Farm production expenses continue to increase. In terms of prices received and paid by farmers during the period 1910–1914, the period generally conceded to be one of economic balance, the change in the farmers' position may be summarized as follows:

[Index numbers]

	Prices received	Prices paid	Parity ratio
1952.....	288	287	100
1953.....	258	279	92
1954.....	249	281	89
1955.....	236	281	84
1956.....	235	285	82
1957.....	242	296	82

NET INCOME FROM FARMING

Net income from farming is at the lowest point in 15 years, despite large increases in Federal payments to farmers by the Department of Agriculture. A comparison between 1952 and 1957 reflects the following picture:

[In billions]

	1952	1957	Comparison
Cash receipts from marketings.....	\$32.6	\$30.0	-\$2.6
Federal payments to farmers.....	.3	1.0	+.7
Non-cash income to farmers.....	3.9	3.4	-.5
Gross income from farming.....	36.8	34.4	-2.4
Production expenses.....	-22.5	-22.9	+.4
Net income from farming.....	14.3	11.5	-2.8

CONSUMER PRICES—FARMERS' SHARE OF FOOD DOLLAR

At the same time that the farmers' income has gone down so drastically, the take of the middleman between the farmer and the consumer has continued to increase and the consumer has received no cash benefit. Retail prices to the consumer have not declined but have increased slightly over the period. The farmer's share of the consumer's food dollar has decreased steadily since 1952. The changing picture since 1952 is as follows:

	Retail food prices (1947-49=100)	Farmers' share of food dollar
		<i>Percent</i>
1952.....	114.6	47
1953.....	112.8	44
1954.....	112.6	43
1955.....	110.9	41
1956.....	111.7	40
1957.....	115.4	40

FARM DEBT AND INVESTMENT

Farm debt is at an all-time high. The amount of equipment and other investment required to operate a farm also continues to increase

each year, and is now the highest in history. A summary of these factors since 1952 follows:

	Farm debt (in billions)	Investment per farm
1952.....	\$14.6	\$23,188
1953.....	16.1	22,928
1954.....	17.2	22,553
1955.....	17.8	23,786
1956.....	18.9	25,075
1957.....	19.5	27,000

PER CAPITA INCOME

The only agricultural statistic which shows up more favorably since 1952 is "income per person on farms from all sources". This has increased from \$953 in 1952 to \$993 in 1957. The reason for this increase with declining farm income is that the farmer has looked more and more to off-farm employment. Even though off-farm income is higher in 1957 than in 1952, the figure is still very low as compared to the income of other segments of the population, which averaged about \$1,750 last year. This would indicate that, in addition to having his income from the farm decrease steadily, the farm worker is paid very low rates for his off-farm employment.

It is significant to note, however, that per capita income *earned on the farm* has decreased from \$702 in 1952 to \$684 in 1957.

ELIMINATION OF SMALL FARMER NO ANSWER

A job in town is no answer to the problems of the low-income farmer, since the record shows that he has averaged only about \$300 per year from such employment. Yet the principal efforts of the Department during the past few years have been directed toward urging farm families to obtain off-farm employment and to move off their small farms.

To leave the farm for town under present conditions would only swell the unemployment rolls now estimated at over 5 million people. As a matter of fact, it may soon be necessary to start thinking in terms of moving people back to the farms where they can at least find food and shelter.

Further, moving the small farmers off their farms will have very little effect on the level of agricultural production. The small farms contribute very little if any to surpluses. According to the record, small farms, which represent 56 percent of the farms of the nation and 20 percent of the acreage, produce only about 9 percent of farm commodities which go into commercial channels.

Therefore—if all small farmers were removed from their farms, and their land were allowed to remain idle, the maximum possible reduction of surpluses would be 9 percent. It is probable, however, that land released from small farms would be added to larger producing units which, being more efficient, would increase production on that land and thereby further increase surpluses.

GOVERNMENT ACTION TO COMBAT BUSINESS RECESSION

It is interesting to note that current efforts to combat the business recession are taking the form of additional defense and public works

expenditures. It is disappointing to note that no proposals are being made to bolster farm income at the market place.

A review of the economic history of the United States will show that every economic recession in this country has started on the farm. Every recession has been preceded by a period of reduced income to the agricultural segment of our population. Since agriculture is the principal segment of our economy which generates new wealth, it is inevitable that a prolonged depression in agriculture will eventually reflect itself in more aggravated economic distress throughout the rest of the economy.

The figures above showing the substantial decrease in level of farm prices and farm income since 1952, with its disastrous effect on farm purchasing power, demonstrate a major reason why the nation is experiencing a business recession at the present time. There can be no doubt that reduced income of the farm population now unable to maintain its normal purchases is one of the major reasons that there are an estimated 5 million unemployed workers walking the streets of our major cities today.

In the opinion of the Committee, pump-priming through increased military expenditures is only temporary relief at best. The only action which would have long-range benefits would be to bolster farm income at the market place through price support levels that will assure the farmer a fair return for what he produces. Only by regaining a proper balance between agriculture, industry and labor can we regain a sound economy. It is only through additional income for the producers of raw materials, the foundation of the economic ladder, that our economy can be restored on a basis which will support the rest of our economy at the prosperous level which this country has experienced for a number of years.

This is not a partisan matter. It is a matter which affects every citizen of the United States—and of the entire world. We must preserve our agricultural economy, if we are to protect the economic health of every part of our society.

OPERATIONS OF COMMODITY CREDIT CORPORATION

The Commodity Credit Corporation is a 14 billion dollar, United States Government-owned, corporation handling billions of dollars worth of United States investments. Perhaps no group anywhere, not even the commissioners of our regulatory agencies, is subject to as much pressure as are the officers and other people in the Department who run this vast operation. Their decisions involve billions of dollars; and each decision can easily provide hundreds of millions of dollars of profits to private interests, and even determine to which private interests such profits would go with detriment, many times, to other private-interest competitors. Many millions of dollars in losses to the Government can follow decisions, which are charged up to the farm programs.

Certainly, the officers of this huge Corporation should be ever aware that as such officers they have a responsibility to protect the people's investment of billions of dollars in the assets of the Corporation.

Our hearings indicate that in recent years such responsibility, in numerous instances, seems to have been overlooked to a considerable degree. Major administrative decisions appear to have been made prior to and sometimes without a thorough and objective opinion from

the General Counsel. Copies of several legal opinions, submitted to the Committee, show little objectivity as to the law, but appear to have been written to support or underwrite desires or even prior decisions. In at least one instance, such an opinion amounts to little more than an expression of opinion that the Corporation could get by with such action as is contemplated.

These recommendations are made because of the magnitude and importance of this Corporation and are believed sound. They are not to be taken as a reflection on any individual, but rather on the system.

NEED FOR FORMAL HEARINGS

After hearings on the operations of this Corporation, the Committee is convinced that the Department should provide for formal hearings, with notice given in advance, on any major action or change of policy being considered by the officers of the Corporation. Such hearings should be printed and released to the public, together with copies of any orders issued and reasons therefor.

For the protection of the officers and other top level employees, such officers and employees should be required to report any contact or efforts by any firm or individual to influence them; and such report should be made a matter of public record.

NECESSITY FOR CONTINUING THE PRESENT EXPORT SALES PROGRAM

The charter of the CCC provides, and has always provided, for sale of all Corporation-owned commodities in world trade at competitive prices. For years the Department did not use this authority, but offered such commodities at a fixed price, which resulted in holding an umbrella over world markets and a greatly increased world production. The amount of increase in foreign production during this period when the Department held United States commodities off world markets, as shown by an investigation of this Committee, is staggering.

At the instance of this Committee, in 1954 the Department finally offered a limited number of commodities at competitive prices in world markets, selling them for approximately 485 million American dollars. Subsequent to that, under urging by the Committee the Corporation finally, in 1955, offered all commodities held by it, except cotton, in world trade at competitive prices through regular trade channels. This action came after the Committee, in its report, had provided special funds for a sales manager and a sales program, pointing out that the Corporation was derelict in having no real sales policy and no sales manager. The resulting sales for dollars reached the high level of \$2.2 billion for the fiscal year 1955.

In January 1956, under continuing pressure from the Committee, the Department, under its general authority, finally offered one million bales of cotton in world trade at competitive prices. Officials expressed the hope that they might sell this million bales within six months. Actually, the cotton was sold for dollars in less than two months. Thereafter, for a period of months, Department officials kept promising to make further offerings. Holdings of the CCC, including cotton under loan, had reached 13.4 million bales on December 31, 1955. After three successive dates on which officials of the Department had promised to sell but failed to do so, the Congress passed the Export Sales Act of 1956, requiring the Department to use its existing author-

ity to sell cotton and other commodities competitively, in order to regain and retain world markets. In such Act, Congress directed that United States supplies, surplus to domestic demand, be made available to the buyers of the world on a competitive basis, as authorized in the Charter of the Commodity Credit Corporation. The new policy was accepted abroad and, in the judgment of the Committee, gave confidence to users of American commodities that the U. S. A. would continue to produce cotton and other commodities, and would make Government stocks available in world markets on a competitive basis.

In fiscal year 1956, exports for dollars totalled \$2.1 billion, including 1,177,842 bales of cotton. In fiscal year 1957, exports for dollars reached a total of \$2.8 billion, including 7,764,962 bales of cotton. These exports for dollars were under the competitive sales program, always authorized but not used until insisted upon by this Committee. These commodities moved through regular trade channels.

PROPOSED SUBSTITUTE

The Committee has been disturbed during the present hearings to find that the Department is contemplating the elimination of this competitive sales program and the substitution of an export subsidy arrangement, whereby the stocks of CCC, assets of the Corporation, would be transferred to American exporters who exported commodities from their own stocks.

From the testimony, it is not clear that authority exists for thus disposing of CCC assets, with the exception of wheat, where the CCC has additional authority under the International Wheat Agreement.

This action is being planned, notwithstanding the proven value of the competitive export sales program, and notwithstanding the requirements of the Agricultural Act of 1956.

The Department urges this change for cotton, because of a shortage of cotton for export needs. Yet the hearings show that 2 million bales of CCC cotton heretofore sold and committed to the export market have not been shipped out of the country. In addition, the CCC has on hand now more than 1.5 million bales and holds loans on more than 3 million bales, subject to call by August 1, 1958. This makes a total of 6.5 million bales now in this country which could be used to meet export market needs.

These facts raise questions as to whether the need for an additional system for exports is as acute as has been claimed. The Department testified that a considerable part of this cotton is of inferior grade and quality, for which there is little demand. It follows, however, if the Corporation does not sell such cotton during a period of relatively short supply, it is doubtful if it will ever sell.

The Committee points out that, in order to preserve the full authority of the Corporation to support farm prices, and in order to protect its capital structure, the Congress is now required to restore to such Corporation the difference between what it has invested and what such commodities sell for. But under the export subsidy, with payment in kind proposed, the Congress would be required to appropriate sums equal to the full amount such Corporation has invested in commodities transferred to private firms or individuals.

These facts, when taken with the obligation of the officers of the Corporation to protect its assets and its capital impairment, and

thereby hold down appropriations from the Treasury, raise further doubts as to the wisdom of substituting this proposal for the proven competitive sales program.

The Committee is of the opinion that such a program, as a substitute, in no way compares with the soundness of the present competitive sales program. Such a proposal if substituted for the competitive program, could do untold damage to the confidence we have gained with the foreign buyers and users of American products and would lead them, once again, to believe that there was no consistency in U. S. policies on sales, and that they would have to expect changes from year to year.

The Committee would point out that other countries sell what they produce and don't need at what the market will bring. Under such program, which we have effectively used in recent years, the buyers have the opportunity to support the world price by their bids, whereas under any export subsidy program our Government would take the responsibility for fixing the price. This would create dangers of once again holding an umbrella over world markets. Further, the designation of the differential as a subsidy would be the basis of a charge by our competitors that we were dumping.

The Committee also would point out that any fixing of an export subsidy, without a continuance of present competitive sales from CCC stocks, would lend itself to all kinds of pressures from international operators and domestic mills. Such a subsidy could be reduced to the point of creating a virtual embargo on exports, or it could be increased to give a real bonanza to exporters. In the absence of competitive sales by CCC, it could enable, or at least provide, an opportunity for the "trade", particularly the international firms, to manipulate both domestic and world prices, and could lead to an umbrella over foreign production and expansion. It could easily be to the interest of such international firms to raise world prices by holding United States commodities off world markets, thereby enabling themselves to make profits on their holdings in other countries, to the detriment of American producers.

The Committee would point out that Section 201 (a) of the Agricultural Adjustment Act of 1956, contains the following directive:

The Commodity Credit Corporation shall, as rapidly as possible, consistent with its existing authority, the operation of the price support program, and orderly liquidation, dispose of all stocks of agricultural commodities held by it.

That directive is clear and the substitution of any program for competitive sales which did less than that called for would not be in line with the intent of the Act and would, therefore, be illegal.

The Committee would point out, based on many years' experience, that if any such program of export subsidy were substituted, it would risk domination and control and limitation of export sales by the State Department, which frequently reflects the pressures from other governments.

The Committee is also of the opinion that any such program might enable the trade to withhold offerings in world trade until they forced the Department to increase such subsidy, paid to the trade, to such levels as the trade might demand. This would lead to increased cost to the Government and increased profits to certain members of the

trade. If such actions were taken it would constitute an invitation for expanded foreign production.

On the other hand, as has been pointed out, such export subsidy could be reduced to such a low level by the Department as to constitute a virtual embargo on exports, thus depriving U. S. producers of their fair share of world markets.

Also, it is pointed out that any such export subsidy, if fixed or firm, would again constitute an umbrella over production which would enable producers in foreign countries, numerous Americans among them, to hold their offering prices just under the U. S. offering price and thereby obtain the sales.

Because of these weaknesses and other dangers inherent in the export subsidy program, it becomes even more essential that we retain the competitive sales program as protection. In the opinion of the Committee, any new export subsidy or other means of export should not be substituted for the policy of offering CCC commodities for export on a competitive bid basis through regular trade channels.

Whether the Department should work out its proposed export program with payment in kind, if determined to be legal, as an additional means to be used only so long as the CCC sales program on a competitive bid basis is being used, has not fully been determined by the Committee. We are convinced, however, that such a program, without the present competitive sales program by CCC to protect against the dangers inherent in the export subsidy payment in kind approach, could lead to disaster.

The Committee therefore insists that it is essential for the protection of the assets of the Corporation, for its discharge of its responsibility under the law, and for the protection of the American farmer's fair share of world markets, in order to give assurance to foreign users of American commodities that the U. S. A. will continue to make its commodities available on world markets at truly competitive prices, as authorized and directed by law, that the sales program on a competitive bid basis—with exports through normal trade channels—be continued, whatever additional programs may be used to complement such program.

In view of Congressional interest in a consistent sales policy, the sales manager is directed to report monthly to the Speaker of the House, and to the appropriate committees of the House and Senate, the policies, activities, and developments, including all sales and disposals, with regard to each commodity which the Corporation owns or which it is directed to support.

RECLASSING

In connection with the export sales program on cotton, the Committee urged the Department to sample and reclass such cotton prior to offering, in view of the fact that some of this cotton had been held for 6 or 7 years. The Department insisted it could not sample and reclassify this cotton in advance of sales. The records show, however, that immediately upon selling this cotton to American firms for export, many of them being international firms, the Department did then reclassify the cotton and made rebates in the sum of

\$135,677,036 to these firms. The names of the larger purchasers appear in the hearings on pages 1676-1678 of Volume 3.

According to information of the Committee, many of these firms which purchased this cotton and received rebates by virtue of a reclassification downward sold this cotton in world markets at classifications or grades equivalent to or in excess of the original classification. Whether the same situation exists with regard to other commodities has not been explored by the Committee.

In the interest of retaining confidence in the classing service of the Department, and in the integrity of the operations of the Commodity Credit Corporation, any reclassing which should be in order in the future should be made in advance of sale so as to avoid the payment of rebates.

Such a situation as has existed raises serious questions as to whether the assets of the Corporation are being protected fully, and lends itself to other serious questions. Any recurrence should be prevented.

CATALOGUE NOW

To make cotton now under loan and in CCC hands available for export at the earliest possible date, the Department is directed to catalogue, prior to July 31, 1958, all loan cotton now in its hands.

EXTENSION OF REQUIREMENT TO EXPORT

Under the Agricultural Act of 1956, providing for substitution, the purchasers made bond in the amount of 30 percent of the value, to insure export of such cotton within a definite period after purchase. Department witnesses testified that consideration was being given to an extension of time under such bond.

In view of world needs for American cotton, and our short supply, as testified to by the Department in supporting its proposed program of payment of an export subsidy in kind, this extension so far as our hearings are concerned appears to be of doubtful benefit to the Government, though it might be of benefit to the trade.

It is to be noted that such extension of time in which buyers could export might raise serious questions as to whether future commitments and bonds would mean anything. It is the Committee's belief that, should such extension be granted, the Commodity Credit Corporation should demand a premium per bale, or a fair share of any profits made, or some other proper consideration for such extension, if the integrity of the competitive sales program is to be retained.

ADDITIONAL FACILITIES

A number of specific proposals for the establishment of new facilities to meet the needs of various parts of the country were brought to the Committee's attention by Members of Congress and others. Attention is directed to Part 5 of this year's hearings for further details on each proposal.

The Committee recognizes that many of these proposals would make a valuable contribution to the work of the Department and those cooperating in its programs. If it were possible to do so, the Committee would recommend funds in this bill for many of these facilities. Budgetary restrictions, and the fact that the regular operating expenses of the Department have increased from \$796 million in fiscal year 1952

to \$1,729 million in fiscal year 1958, has limited what the Committee feels it can recommend in this bill.

Also, a number of instances of inadequate housing and examples of inadequate facilities for agricultural activities which have been centralized have been called to the attention of the Committee. One such example is at Amarillo, Texas.

In view of present Federal efforts to embark upon an expanded program of public works, it may be desirable to undertake some of these projects. The Secretary is urged to review these various proposals for possible presentation to the Bureau of the Budget and the Congress. In the opinion of the members of the Committee, the priority of such projects is as high, or even higher, than many of those now being undertaken.

It is pointed out, too, that the Department has authority to move funds from finished projects to new work and to transfer up to 7 percent among appropriations. It is possible that the more urgent of these needs can be met through this means, within funds presently available.

AGRICULTURAL RESEARCH SERVICE

The Agricultural Research Service conducts the production and utilization research of the Department (except forestry research), and the inspection, disease and pest control, and eradication work associated with this research.

Research.—The Committee recommends \$58,444,890 for 1959, a decrease of \$2,300,000 in the budget estimate and an increase of \$650,000 over the appropriation for the current fiscal year. In view of the elimination of certain non-recurring items provided in the 1958 appropriations, however, the actual increase is \$2,300,000, all of which is provided to expand research on utilization of agricultural commodities.

Since 1952, the research funds for the Department under this appropriation have been increased over 77 percent. This rapid increase has created problems in securing well trained scientists and expanding facilities on an efficient and orderly basis. In order to assure the maximum results from the research activities of the Department, during the next year, the Committee has held the increase for utilization research to a reasonable level, consistent with the ability to recruit trained personnel and expand facilities on a sound basis. It does not question the need for the utilization research programs conducted by the Department and it recognizes the many valuable contributions which have been made by such programs. Its action is based on the need to be sure that they are expanded on a sound and efficient basis.

It would appear to be unsound to provide for utilization research on new crops until the value of the end product is known. The Committee approves research on the value of linoleic acid. However, expanded work on safflower oil to produce linoleic acid does not seem warranted until a determination has been made as to the value of such an acid. It is the opinion of the members of the Committee that research in new sources of oils would only aggravate the surplus situation facing the many domestic oils now in use.

The 1959 budget proposed an increase of over \$10 million for utilization research, \$4,600,000 by direct appropriation, \$805,000 by transfer of funds from various production research activities, and approx-

imately \$5 million through the use of Public Law 480 funds for utilization research in foreign countries. The Committee is in agreement with the use of foreign currencies for utilization research abroad. In addition it has provided in the amount recommended for this appropriation, an increase of \$2,300,000 for utilization research. This will make available a total of over \$20 million for utilization research during the coming year, including the proposed use of Public Law 480 funds. In addition, \$2,000,000 is available for utilization research by the Forest Service.

The Committee action provides for restoring the funds to the various production research programs proposed to be curtailed to expand utilization research. It is believed unsound to eliminate these activities, in view of the valuable contributions they have made through the years, not only to those engaged in agriculture, but also to the people of the entire country. It is generally agreed that the economic stress now being experienced by agricultural producers throughout the country would be considerably worse, had it not been for the increased efficiency in production which has resulted from this type of research. The Committee believes fully in the value of utilization research. It believes, however, that the additional funds in this bill, together with those proposed to be spent from Public Law 480 sources, will provide adequate expansion in utilization research in the coming year, without the additional transfer proposed in the 1959 budget.

Many urgent production research problems not included in the 1959 Budget have been brought to the Committee's attention. One example in the serious threat from the Hoja blanca or white leaf disease of rice. Another is the need for more study on the "cold hardiness" problems facing fruit growers in Florida, Texas and California. Various other examples are contained in Part 5 of the Committee hearings.

The Department is requested to give these matters special attention. To the extent that those that are meritorious can not be carried on within funds now available, the Department should consider the possibility of placing them in the 1960 Budget. Further, the Committee feels that, from funds now available, the Department should staff the new Weslaco, Texas, laboratory when it is ready for operation.

Research on the eradication of the corn borer and other corn insects also needs to be increased. The Department is requested to study this matter and submit a special report to Congress next year as to future action needed to meet this problem.

Within the funds provided, the Department should utilize \$50,000 for expanded field crops research on rusts and breeding problems affecting rice and wheat production, and \$12,500 for additional research on pear decline. It has been pointed out that the pear industry itself has made available funds in the neighborhood of \$55,000 in the search for a cure.

An excellent presentation was made to the Committee requesting more adequate attention to the boll weevil problems in the South. It is estimated that, during the 15-year period from 1940-1954, the boll weevil destroyed cotton and cottonseed valued at \$2.257 billion. It is further estimated that over \$75 million is spent by farmers each year for boll weevil poison applied in the fields. The Committee agrees that further efforts to solve this problem should be made as rapidly as possible. The Secretary is urged to review this matter and recommend during his next appearance before this Committee concrete proposals for meeting this problem. For this purpose, an additional

amount of \$25,000 should be allocated, from funds available for the coming year.

The Committee is well satisfied with progress being made in the establishment of the soil and water research facilities authorized last year. Numerous requests have been made to the Committee for attention to this need in other geographical areas. The Committee therefore recommends to the Secretary that study be given to the needs for similar laboratories in Kentucky, in the Oklahoma-Texas area, in the area of the Pacific Northwest, and in other areas of the country, with a view to consideration of such needs in connection with next year's budget.

Language has been included in the bill to enable the Department to replace buildings at the Plum Island Research Laboratory in the event of damage from a serious storm. Due to the location of this facility, such stand-by authority appears to be needed. The Committee requests, however, that it be notified by the Department of any proposed use of this authority.

During the past recess of Congress, the Committee's investigative staff made a thorough study of the proposals of the President's Commission on Increased Industrial Use of Agricultural Products. A few of the more pertinent findings are quoted below. The full investigation report has been printed in Part I of this year's hearings.

1. Mr. J. Leroy Welsh, Chairman of the Commission, advised that the Commission only made a limited inquiry into the areas mentioned in the Committee's directive. Mr. Welsh stated that the Commission did not have sufficient time or personnel to perform the research necessary to gather data relative to loss of markets for agricultural raw material, funds presently being spent in research, potential consumption of agricultural raw material for industrial use, or the transfer from one farm commodity to another. He stated that any statements made in the final report in these areas could be considered as a general estimate based upon information furnished by USDA or on information known to some individual on a task group who is familiar with the industry. Mr. Welsh advised that the Commission, in the short time available, was interested in gathering all of the potential outlets for farm commodities in industrial use and then establish some means whereby a program utilizing agricultural raw materials could be carried out.

2. Mr. Welsh advised that he instructed the task groups to put down on paper any project for research that they could think of, even if it resembled a dream. Dr. Hilbert stated that USDA furnished a list of projects that they are working on or have planned for the future. From these lists the Commission in an executive session selected the projects for inclusion in the final report.

3. Mr. Welsh advised that the Commission did not make a specific study into the loss of markets for agricultural products to synthetics. The estimates used in the report were obtained from economists of USDA and from the familiarity of the markets known to individuals from industry who were on the task groups. He stated that these estimates have been used from time to time in various publications and have been generally accepted as facts. The

USDA does maintain statistics relating to markets for agricultural products and these statistics clearly reflect a declining market for such products by industry.

4. The Commission proposed that funds for industrial-uses research be increased to not less than 3 times the amounts currently (\$16,145,000) available; and that additional sums be provided for new crops research, trial commercialization, development, and incentives.

5. The Commission furnished 19 examples of projects for which commercial development should be supported. It would appear that these projects are beyond the basic research stage at the regional industrial utilization laboratories of USDA and are ready for pilot-plant operation, market investigation and test, and economic study.

6. The group did concern itself with the production of butyl alcohol and other solvents. Corn and other grains were originally used for this fermentation, but gave way to molasses which was available at a much lower equivalent price than corn. Since molasses has climbed in price because of its increased use in feed the principal competition now is petroleum sources. The group estimated that if corn were used, giving full credit for all the byproducts, the price of corn would have to be at least no more than one-half the present quoted price delivered to offer sufficient incentive for its use.

7. The task group stated that the synthetic-rubber industry is firmly based on economical butadiene produced directly from petroleum raw materials. This process is well established, and costs are very low. The raw material is abundant and the price is stable. As a result, under present economic conditions the growth potential for industrial alcohol for this outlet does not exist. It is only under conditions of heavy subsidy that butadiene can be produced from industrial alcohol.

8. The final report of the Commission reported that industrial alcohol as a blend with gasoline for motor fuel on a national basis is not practicable because—

1. No blend of less than 10 percent would be practical or effective.

2. A 10-percent blend of industrial alcohol would require in excess of 2 billion bushels annually, which is more than the current surpluses of cereal grains.

3. Plant capacity for processing this quantity of grain would cost in the neighborhood of \$2 billion and would have to be built with Government funds.

4. The total cost to the public through the increase in the price of motor fuel would be in excess of \$1 billion annually.

In view of these facts, the present state of scientific knowledge, and costs involved, the Commission found it impracticable to recommend an alcohol motor-fuel program.

9. The report further stated that careful study leads to the conclusion that the possibilities are extremely limited in developing truly new uses for cotton, desirable as it would be. The best potentials for expanding cotton consumption are in

increasing the total market for textiles and in increasing cotton's share of the total. The factors that must be considered are price, quality, and promotional effort.

10. Dr. G. E. Hilbert, Research Director for the Commission, and Assistant Administrator of the Utilization Research and Development Branch, Agricultural Research Service, USDA, advised that the Commission's report did not recommend any new projects which have not been known to the USDA. He advised that the men who worked on the task groups were selected because of their familiarity with a particular commodity and the particular projects recommended for research investigation for each commodity are well known to people in industry, science, and the USDA. He further advised that projects mentioned in the Commission's report are projects which the regional laboratories have conducted limited research on or will conduct research on in the future when funds and personnel are available.

The Committee believes that the best way to increase the use of agricultural products would be for the President's Commission to review research work now underway and recommend changes which would strengthen the existing research programs of Department. In the opinion of the Committee, the most effective way to increase the use of agricultural products is to gradually expand the utilization research programs of the Department on a sound and efficient basis. It believes that the creation of an additional research agency would inevitably result in duplication of effort. It further believes that a sudden three-fold expansion of the program would create a great deal of waste and confusion.

Plant and animal disease and pest control.—A total of \$41,732,000 is proposed for the coming fiscal year, a decrease of \$400,000 in the budget estimate and an increase of \$11,650,000 over the 1958 appropriation. The amount recommended includes an additional \$39,300 to determine compliance with laws related to contamination of food from insecticides, \$75,000 to take over foreign plant quarantine work in Florida, \$75,000 to meet the increased volume of baggage to be inspected at ports of entry, and an additional \$600,000 for screw-worm eradication.

The bill also includes a total of \$15,000,000 for the eradication of brucellosis. In recent years, the program for eradication of brucellosis has been financed from Commodity Credit Corporation funds on a reimbursable basis, as authorized by the Agricultural Act of 1954. It is proposed in this bill to adopt the budget recommendation that the program be financed by direct appropriation in the future.

The Committee believes this trend away from the use of Commodity Credit Corporation funds to finance various programs not related to the price support activities, for which purpose the Corporation was created, is good and should be encouraged. It is understood that, should present laws authorizing the financing of the brucellosis eradication program from Commodity Credit Corporation funds be extended, the authority of that law would be used only to the extent necessary to supplement funds provided in this appropriation.

Meat inspection.—The Committee recommends the sum of \$24,326,000 for 1959 for the regular meat inspection service and the new mandatory poultry inspection program authorized last year. Of this

amount, not to exceed \$17,826,000 should be used to meet the regular meat inspection workload. This, in effect, provides \$1 million more for this work than in fiscal year 1958, if needed. At the same time, there should be adequate funds to meet the full poultry inspection workload as required by the new law.

In the interest of a more effective meat inspection service, and in view of the increased efficiency which should result from consolidation of similar activities, the Committee recommends the consolidation of the regular meat inspection service with the new inspection service for poultry and poultry products. While separation of these activities may have been advisable when one inspection service was on a mandatory basis and the other on a purely voluntary basis, now that they are both mandatory the Committee feels that they should be consolidated into one operation. The merging of the two services should result in greater efficiency and in additional flexibility needed to meet peak workload periods. The same type of personnel will be needed for both types of inspections, generally. Further, there will be many areas where both types of plants can be served by one group of inspectors.

State experiment stations.—An appropriation of \$30,353,708 is recommended for grants to state experiment stations. In addition, \$250,000 is provided for penalty mail costs. The amounts recommended are the full budget estimates and are the same as those provided for the fiscal year 1958.

Since 1952, appropriations for this purpose have increased over 140 percent. In view of the continuing needs of agricultural producers for information about better seeds, fertilizers, insecticides and growing practices, to offset falling farm prices and increased production costs, the Committee recommends continuation of the present level of appropriations for this purpose.

EXTENSION SERVICE

The cooperative agricultural extension work of the Department aids in diffusing among the people of the United States useful and practical information on subjects relating to agriculture and home economics and encourages the use of such information. The work is carried on by incorporating research results, technological advancements, and other facts of the Department, the agricultural colleges, and the experiment stations into a national educational program to provide the means by which people can effectively solve their farm, home, marketing and relating problems. The Extension Service is financed from Federal, State, county and local sources, and the use of funds provided is under the control of the States. The funds are used within the States for employment of State specialists, county agents, home demonstration agents, 4-H club agents, and others who conduct among rural people joint educational programs adapted to local problems and conditions.

Payments to States, Hawaii, Alaska and Puerto Rico.—The full budget estimate of \$50,715,000 is included in the bill for the coming fiscal year, the same amounts as provided for the fiscal year 1958.

There has been a large increase in the size of this appropriation since 1952, nearly 80 percent. The Committee feels, however, that this level of expenditure should be continued in the coming fiscal year in

order to assure adequate assistance to farmers who need help to meet their serious problems resulting from reduced farm income.

Retirements costs for extension agents.—The budget estimate of \$5,479,375 is recommended for the coming fiscal year, an increase of \$219,375 over the appropriation for the fiscal year 1958. The amount recommended will cover the full retirement fund contributions required for cooperative extension agents during the coming year.

Penalty mail.—The Committee recommends the full budget estimate of \$1,868,480 for penalty mail costs of State extension directors and county extension agents during the fiscal year 1959, as authorized by law. The decrease of \$295,520 results from a revised procedure for determining mailing costs, which has been developed concurrently by the Post Office Department and the Department of Agriculture.

Federal Extension Service.—The full budget estimate of \$2,096,540 is proposed for the coming fiscal year for the Federal Extension Service, which provides the leadership, counsel and assistance to the extension services in 48 States, Hawaii, Alaska and Puerto Rico. This is the same amount as was provided for the fiscal year 1958.

FARMER COOPERATIVE SERVICE

This Service conducts research, advisory and educational work with cooperatives on problems of organization, financing, management policies, merchandising, costs, efficiency, and membership, to help farmers who are members of such organizations improve the operations of their businesses. It cooperates with the Extension Service, land-grant colleges, banks for cooperatives, State departments of agriculture, and other agencies to bring about better understanding and application of sound cooperative principles and practices. The Service also advises other Federal agencies on problems relating to agricultural cooperatives.

The full budget estimate of \$578,000 is recommended for the coming fiscal year. This is the same amount as was appropriated for fiscal year 1958. The Committee was more fully satisfied with the presentation made in support of the 1959 budget estimates than with presentations made at hearings in prior years.

SOIL CONSERVATION SERVICE

The Soil Conservation Service assists soil conservation districts and other cooperators in bringing about physical adjustments in land use that will conserve soil and water resources, provide for agricultural production on a sustained basis, and reduce damage by floods and sedimentation. The Service also develops and carries out special drainage, irrigation, flood prevention, and watershed protection activities in cooperation with soil conservation districts, watershed groups, and other Federal and State agencies having related responsibilities.

Conservation operations.—The Committee recommends the sum of \$74,780,000 for the fiscal year 1959, an increase of \$2,500,000 in the budget estimate and an increase of \$2,235,000 over amounts provided for fiscal year 1958.

Testimony before the Committee indicates that 40 new districts will be formed during the current fiscal year and an estimated 30

additional districts will come into existence during the fiscal year 1959. No additional funds were included in the 1959 budget estimate to permit the assignment of soil conservation technicians to the new districts as formed. It was pointed out by Department officials that the only means of meeting the needs of the new districts is to transfer technicians from existing districts, thereby spreading existing personnel thinner and increasing their workload.

In view of the fact that the basic law guarantees the services of soil conservation technicians to all districts, new as well as existing districts, the Committee feels that some expansion in funds and personnel is warranted each year as new districts come into the program. Further, in view of the increased amounts requested by the President for the watershed protection and flood prevention program, in line with the proposal to increase public works expenditures generally, it is essential that the Soil Conservation Service be staffed with adequate well-trained technicians.

Accordingly, the Committee has increased this appropriation by \$2,500,000 to assure sufficient technicians to staff existing districts properly and provide technical assistance to new districts as they are established. Also, the additional funds are provided for adequate technicians to advise and assist in the planning and construction work on the eleven major watersheds authorized in 1944, which are still only about 24 percent completed, and on the small upstream watershed projects under the "pilot" program and Public Law 566, 83rd Congress.

Watershed protection.—The original budget requested the sum of \$14,000,000 for the fiscal year 1959 for this program, a reduction of \$11,500,000 below funds provided for fiscal year 1958. House Document No. 351, transmitted by the President on March 12, 1958, increased the budget estimate to \$24,000,000. The Committee recommends \$25,500,000 for the coming year, the amount appropriated for fiscal year 1958.

The original budget estimate of \$14 million provided funds to initiate 60 new watershed projects during the next fiscal year, as well as to continue work on existing projects. The additional funds requested in House Document No. 351 will authorize an additional 48 watershed projects in 1959. The amount recommended in the bill will provide for continuation of work on the 100 watershed projects now underway and will permit the initiation of 108 new projects.

Flood prevention.—The original budget estimate proposed \$13,220,000 for flood prevention during the coming fiscal year. A supplemental estimate transmitted to Congress in House Document No. 351 on March 12, 1958, increased the amount for the fiscal year 1959 to a total of \$18,000,000.

The full budget estimate of \$18,000,000 has been allowed in the accompanying bill. The additional \$4,780,000 will permit the acceleration of work now in progress on the eleven authorized watersheds financed by this appropriation.

The Committee feels strongly that every possible effort must be made to speed up the work on these projects. It was contemplated when this program was established in 1944 that the work on these watersheds would be completed in about fifteen years. A special study of this program during the past recess of Congress indicates that the average rate of completion as of last June 30 was only 23.8 percent. This study shows further that, at the present rate of progress,

it will take another twenty to twenty-five years to complete some of these projects.

Evidence before the Committee indicates that considerable savings have resulted from the work already completed under this program. A study of flood damage in treated and untreated areas in Texas and other parts of the country shows conclusively the value of this work. In the opinion of the members of the Committee, the taxpayer cannot afford to further delay its completion.

During the hearings, the extent to which the Department should transfer funds among the various projects was discussed. The Committee agrees that some latitude is needed to expedite the work. It feels, however, that Congress should be kept currently advised of proposed shifts of funds from one project to another in view of the importance of each of these projects.

Water conservation and utilization projects.—The full budget estimate of \$335,000 is recommended for the coming fiscal year, a decrease of \$15,000 in the budget estimate.

Nineteen water conservation and utilization projects were originally authorized under this program. Six of these projects have been discontinued due to inflationary land prices and other changes. Twelve projects have been fully completed. The only remaining project, located at Eden Valley, Wyoming, is scheduled for completion in the fiscal year 1962. The small reduction proposed is made possible by the completion of certain phases of the work on this one remaining project.

Great Plains conservation program.—The accompanying bill includes the full budget estimate of \$10,000,000 for the coming fiscal year. This is the same amount as was appropriated for the fiscal year 1958.

This is a voluntary program which supplements other conservation programs and activities in designated wind erosion counties of the ten Great Plains States. Cost-sharing contracts extend from three to ten years and include a plan of operation for the farm or ranch and a time schedule for installing eligible conservation practices. All contracts must terminate by December 31, 1971. The cost-sharing rates under this program run up to 80 percent of the average cost of installing each eligible practice.

This is a new program which was authorized last year for the first time. It is getting underway gradually and is expected to be in full operation by fiscal year 1959. While the Committee feels that eventually it should be made a part of the regular agricultural conservation program, it has taken no action to consolidate such programs at this time.

AGRICULTURAL CONSERVATION PROGRAM

The purposes of this program include restoring and improving soil fertility, reducing erosion caused by water and wind, and conserving water on the land. To effectuate these purposes, the agricultural conservation program offers cost-sharing assistance to individual farmers and ranchers for carrying out approved soil building and soil and water conserving practices on their farms. The Federal assistance represents only a part of the cost of performing the practice. The farmer bears the balance of the cost—50 percent on the average—and in addition supplies the labor necessary to carry out the practice.

For the fiscal year 1959, an appropriation of \$235,000,000 is recommended. It is expected that this amount will provide adequate

funds to meet all commitments made to participants under the 1958 program authorization of \$250 million. The reduction results from savings which will not cause the Federal Government to fail to meet its commitments under the advance program authorization made last year.

The President's budget proposed to reduce the advance 1959 program authorization from the \$250 million level which has been in effect since 1955 to \$125 million for the coming year. This is the third time that the budget has recommended a decrease below \$250 million since 1953.

The Committee has restored the full \$250 million program for 1959. Testimony from "dirt farmers," as well as from farm organizations and others, demonstrates fully the importance of this program to the agricultural producers of the nation, especially in these times of serious economic stress in agriculture. This testimony, which is included in Part 5 of this year's hearings, deserves the attention of all who are interested in agriculture.

A study of the effect on the natural resources of this country in recent years from droughts, floods, and other natural disasters provides convincing evidence of the real value of this program to the nation as a whole. The significant savings to our land which have resulted from the work done provide a solid justification for continuation of this program at the present level. The transformation of many sections of the country from barren and badly eroded fields to fertile and attractive areas also can be attributed to the incentives offered by this program. In view of the tremendous sums spent in restoring damage caused by natural disasters in many areas of the country in recent years, it is apparent to the Committee that it is less costly to the nation to prevent the loss of soil and water through this program, than to restore the damage after it has happened. Further, that top soil which flows down our streams and rivers every day of the year is lost forever to future generations.

Testimony presented to the Committee indicates that over 1¼ million farmers participate in the agricultural conservation program, whereas less than 100,000 farmers are participating in the conservation reserve program. It is also significant to note that the participants in the agricultural conservation program put up about 50 percent of the funds expended, plus their labor, while under the conservation reserve the Federal Government provides up to 80 percent of the funds expended on the land.

It will be recalled that last year the Committee combined all soil and water conservation appropriations into a single item to provide more administrative flexibility and encourage eventual consolidation of the various conservation programs of the Department into a single effort. The Committee has not combined the funds for these items in the bill for fiscal year 1959 because of some of the technical differences between the various programs. It still believes, however, that eventual consolidation of the agricultural conservation program, the conservation reserve program, and the great plains program is desirable. It is believed that changes in the agricultural conservation program to allow more flexibility in the Federal share of cost-sharing practices and to permit contracts for a longer period than one year would make such a consolidation possible. The Committee strongly urges the Secretary to study this matter between now and

next January with the view to presenting the 1960 budget on this basis.

In the conference report on the 1958 appropriation bill, the conferees directed that no changes be made in the 1958 agricultural conservation program to restrict eligibility requirements or delete cost-sharing practices included in the 1957 program. This action was taken in view of information received by the conferees that some change in program was contemplated. The Committee has been assured by responsible officials of the Department that this directive was followed, and evidence presented to the Committee indicates that no changes were made in the 1958 program.

The Committee feels that the 1959 program should be continued on the same basis as the 1957 and 1958 programs. It is convinced that a program which has been accepted by over 1¼ million farmers, where there has been discretion at the local level to select those practices of the most benefit to each locality, should not be changed. It believes that this method of operation provides the freedom from domination by Washington which the Secretary of Agriculture advocates.

The Committee also wants to commend the county committee system, where locally elected officials control local operations. This democratic procedure is probably the most effective means that can be devised of getting conscientious and effective participation at the local level. Generally speaking, those who earn all or a portion of their living by tilling the soil are the best qualified to determine the conservation practices needed in each locality, see that they are applied in the most effective manner, and assure that the American people get the greatest possible amount of conservation for the tax dollar spent through this program.

AGRICULTURAL MARKETING SERVICE

The Agricultural Marketing Service aids in advancing the orderly and efficient marketing and the effective distribution of products from the nation's farms. The domestic marketing and distribution functions of the Department are centered in this Service. The Administrator is also responsible for the coordination of all statistical work of the Department. The functions of the Service include the following: marketing research; analyses of economic data; crop and livestock estimates; market news services; inspection, grading, classing, and standardization of farm products; freight rate services; regulatory activities; cooperative programs in marketing; School Lunch Program; and removal of surplus agricultural commodities and marketing agreements and orders.

Marketing research and service.—A total of \$28,192,000 is proposed for 1959. This amount includes \$14,095,000 for marketing research and agricultural estimates and \$14,097,000 for marketing services. The amount recommended for marketing research and agricultural estimates is the budget estimate. It is also the amount which will be spent in 1958, due to a saving of \$21,700 made in 1958.

As stated early in the report, the Committee has transferred \$7,000,000 requested for poultry inspection to the meat inspection appropriation under the Agricultural Research Service. It is believed that this is an economy move and will help meet the ever increasing demands on the meat inspection service.

The funds provided for marketing services include an additional \$40,000 to strengthen the enforcement of the Grain Standards Act and \$125,000 to provide more effective administration of the Packers and Stockyards Act. A better job needs to be done in both these fields, and some additional funds appear to be necessary.

During the past recess of Congress, the Committee made a special inquiry into the administration of milk marketing agreements by the Department of Agriculture. This study resulted from numerous complaints concerning the procedures followed in establishing and expanding milk marketing areas. The report on this study raises some basic questions concerning the regulations issued, the failure to notify all interested parties when hearings are held, the rights of an individual member of a cooperative to cast his own ballot, and the protection of a producer not in an area covered by a marketing agreement. The Committee has been informed that the Department is giving this matter careful study to make certain that proper regulations are issued and the fairest possible procedures are followed. The Committee recognizes that some inequities are bound to develop in the handling of these marketing agreements. However, it requests the Department to continue its review of this program.

Testimony before the Committee indicates that significant improvements are being made in equipment for cleaning, bleaching, and other operations of the textile industry, which change the relative values in use of various cottons. In view of this development, it is believed that a change in the cotton classing standards of the Department might be in order. Therefore, the Committee requests that the Department conduct a special study during the next year on this subject and be prepared to make recommendations at the next session of Congress.

The Committee is pleased to note the studies which have been made concerning the establishment of premiums for lean or meat-type hogs in the meat packing industry, as proposed in the Committee report last year. The Department is urged to give this problem further study with a view to developing proposals for a shift by the meat packing industry toward a proper grading of pork. Such a change would benefit everyone concerned: the consumer, the meat packer, and the producer. It would create a greater demand for pork in this country. It would also enable the United States to again compete in world markets for pork and pork products; and it should help relieve the surplus of fats, now dependent largely upon PL 480 sales.

Payments to States, Territories, and possessions.—The full budget estimate of \$1,160,000 is recommended for the coming fiscal year, the same amount as was appropriated for the fiscal year 1958. Payments under this appropriation are made on a matched-fund basis to state and territorial marketing agencies for programs designed to get into practical use improved methods and practices in the marketing of farm products.

While there is some evidence to indicate that state funds available for matching purposes will exceed the amount recommended for this purpose in the accompanying bill, the Committee does not feel that it can recommend exceeding the budget request for this program.

School Lunch Program.—The Committee recommends the full budget estimate of \$100,000,000 for the fiscal year 1959, a continuation of the appropriation authorized for the fiscal years 1957 and 1958.

In addition, the Committee has included language in the bill to transfer \$55,000,000 from Section 32 funds to Section 6 of the school lunch program to assure a more adequate supply of foods for school lunches. In the use of these additional funds, attention should be given to the purposes intended by the legislation establishing the Section 32 program, i. e., the purchase of temporary surpluses which may have a depressing effect on the market.

This program continues to grow each year. The number of schools participating, the number of school children receiving lunches, and the number of meals served in 1957 were at an all time high. Further expansion is expected during the coming fiscal year.

It is significant to note that the average cash reimbursement per meal from Federal funds has decreased from nearly 9 cents in 1947 to an estimated 4.3 cents in 1958. Based on the amount recommended by the Budget, it would drop below 4 cents per meal next year. When it is realized that the reimbursement for a half pint of milk under the special milk program is 4 cents, it seems unrealistic to allow the Federal reimbursement to drop to less than 4 cents for a full course "type A" meal.

Many individuals and organizations associated with this program have urgently requested additional appropriations during the coming fiscal year, with proposals running from \$130 million to as high as \$200 million. There is considerable justification for these proposals in view of the increasing numbers of children participating in the program and the increased prices of food.

The use of Section 32 commodities has been encouraged in the past because of the need for such commodities in the school lunch program and because of the importance of action by the Department to purchase small quantities of temporary surpluses to prevent market drops. In the past few years, the Committee has been disappointed by the failure of the Department to use this fund for the purposes for which intended.

In fiscal year 1957 approximately \$132 million of donated commodities were used in the school lunch program. During the current fiscal year, it is estimated that this will decrease to \$76.4 million, a reduction of over \$55 million. Department officials indicate that, in the absence of the transfer proposed by the Committee, the quantity of donated food would remain the same in 1959. The Committee has made this transfer of Section 32 funds in order to maintain the level of commodities available at not less than the \$132 million level in 1959.

In the opinion of the Committee at least part of the reduction has resulted from a failure of the Secretary to move in promptly with Section 32 funds and support the price levels of various commodities. A review of the testimony on this point will clearly indicate the reluctance of the Department to use Section 32 funds for the purposes intended when the program was established. It will further reveal the strong criticism which this Committee has directed toward the Department for this failure to act to bolster markets for such commodities.

The Committee has also been concerned by the fact that some of the commodities which have been urgently needed by the school lunch program due to expanding school enrollments have been sold to foreign countries for foreign currencies under Public Law 480. While this practice is authorized by law, it feels that failure to make these foods available to the school children of America is a serious mistake.

The Committee feels very strongly that everything possible must be done to encourage the use of Section 32 funds to support prices of perishable products. It also feels that Section 32 must be utilized as fully as possible to provide support for the school lunch program. This is especially necessary in view of the fact that it has not been possible for Federal appropriations to keep pace with the growth in the number of school children participating in the program and the rise in food costs.

FOREIGN AGRICULTURAL SERVICE

The Foreign Agricultural Service develops plans and policies related to the administration of the foreign affairs and interests of United States agriculture. It gathers, analyzes and disseminates to American agriculture basic information on foreign marketing of United States agricultural products. It coordinates and directs a worldwide agricultural attache service with particular emphasis on the development of markets for American products and on trade reporting from foreign areas designed to aid the American farmers and exporters.

The Committee recommends the full budget estimate of \$4,002,300 for the coming fiscal year. This is the same amount as was appropriated for the fiscal year 1958.

This Service has done an excellent job in recent years. It has established an effective agricultural attache service, with particular attention to the development of expanded foreign markets for American agricultural products. In addition, under separate funds established by this Committee several years ago, it has developed a more effective program for obtaining statistics and information on foreign agricultural production and competitive sales in world markets and has made such information available to those who need it.

The Committee has reason to believe, however, that in the conduct of its activities under Public Law 480, too little attention is being given to competitive sales for dollars. There is evidence that Public Law 480 disposals are frequently given preference over competitive sales. In this connection, the Committee wishes to repeat that the only sound way to regain and retain foreign markets is through competitive sales. As has been pointed out by the Committee many times, the charter of the Commodity Credit Corporation has always provided for sales in world markets on a competitive basis. The probable cause for continued stressing of dispositions under Public Law 480 is the lack of a consistent policy by the Department in favor of competitive sales.

The Committee strongly supports the activities of the Foreign Agricultural Service. It believes, however, that its principal reason for existence is to stimulate the export of United States agricultural commodities through competitive sales for dollars. While there may be some justification for the sale of United States agricultural commodities for foreign currencies, in view of the present large holdings of the Commodity Credit Corporation, the long range program of this Service should be directed toward a program of exports through normal channels on a truly competitive basis.

The hearings developed that within the past year, due to lack of funds, there has been a reduction in numbers of agricultural attachés and assistants, resulting in failure to staff some important foreign posts

where attachés should be placed, mainly for market development purposes. The Committee has, as previously, given sympathetic consideration to providing needed funds for this very valuable organization. It is proposed, therefore, that the Department continue to expand as needed its market development activities from Public Law 480 foreign currencies, as authorized under sections 104 (a) and (f) of that Act, in order to support a more adequate attaché organization. Reports of the use of such funds were made to the Committee and will be expected annually hereafter.

The Department is to be commended for including in Public Law 480 agreements, a "convertibility clause" whereby dollars are made available by conversion of local currencies, for use in market development and for other purposes in countries other than those from which the local currencies are derived. Extension and broadening the scope of such clauses to facilitate the use more generally of local currencies for market development and similar purposes would appear to be very desirable, and consistent with the purposes of Public Law 480.

COMMODITY EXCHANGE AUTHORITY

The objectives of this Agency are to prevent commodity price manipulations and market corners; prevent dissemination of false and misleading crop and market information; protect hedgers and other users of the commodity futures markets; insure the benefits of membership privileges on contract markets to cooperative associations; insure trust-fund treatment of margin moneys and equities of hedgers and other traders; and provide information to the public regarding trading operations and contract markets.

The full budget estimate of \$832,000 is recommended for the coming fiscal year. This is the same amount as was provided for the fiscal year 1958. No significant changes in program or workload have taken place during the past year, nor are any projected for the coming fiscal year.

SOIL BANK PROGRAMS

The Soil Bank Act authorized an acreage reserve program and a conservation reserve program to assist farmers to divert cropland from the production of excessive supplies of agricultural commodities, and to carry out a program of soil, water, forest and wildlife conservation. In 1956 and 1957, the programs were financed from funds of the Commodity Credit Corporation pursuant to Section 120 of the Soil Bank Act, which authorized the Secretary to utilize the facilities, services, authorities, and funds of the Corporation in carrying out the Act from its enactment through June 30, 1957. Beginning with the fiscal year 1958, the programs are financed by direct appropriations.

Conservation reserve.—An appropriation of \$250,000,000 is recommended to cover expenditures under this program during fiscal year 1959. This will provide \$64,000,000 to meet payments due under 1956–1957 contracts, \$146,000,000 to meet commitments under 1958 contracts, \$23,000,000 for payments on 1959 contracts, and \$17,000,000 for transfers, operating expenses, and production of forest tree seedlings.

The budget included \$242.9 million for payments against 1958 contracts. As of March 1, 1958, only \$47.9 million worth of contracts were signed, and the sign-up period closes on April 15. The Com-

mittee estimates, therefore, that sign-ups will total only \$146,000,000 for the year. Accordingly, it has reduced the funds for this purpose by \$100,000,000.

The Congress is obligated, however, to honor 1958 contracts up to the full authorization in the 1958 Appropriation Act. Should commitments exceed the amount provided in this bill, additional funds will have to be made available at a later date.

For the 1959 crop year, the Committee has included a program authorization of \$300,000,000. This should allow adequate funds to meet the needs of the program on a sound basis for the next fiscal year.

Under this program some \$200 million was spent during fiscal years 1957 and 1958, with another \$250 million provided in this bill for next year. If the full \$450 million were provided each year and, if 15-year contracts were entered into, as authorized by the Soil Bank, it is conceivable that this program could commit the Congress to the appropriation of some \$5 or \$6 billion before finally liquidated. This is as much as the cost of the price support program since its inception in 1932.

Since the Secretary now says that control of production by reduction of acreage will not work and has recommended ending the acreage reserve program, serious questions are raised as to the continuation of the conservation reserve on the present basis. Even if production controls were desirable there is some room to doubt as to whether this approach would bring about the desired results.

From evidence before the Committee, it appears that most of the land placed in this program is marginal land which has never been productive. A special survey made last fall by the Committee, which was printed in Part 1 of this year's hearings, shows that the heaviest participation has been in limited areas of the country. It shows further that 10 percent of the total acreage in the 1957 program was in 14 counties of the Great Plains area which were dropped from the crop insurance program several years ago due to extremely heavy losses.

Further, evidence before the Committee raises questions as to the value of the program as a conservation program. A total of less than 100,000 people participated in the 1957 program as compared to 1¼ million participants in the agricultural conservation program. Also, the Federal payment for conservation practices under the conservation reserve, where the Government also pays annual rental on the land, is much higher than for ACP—up to 80 percent for some practices.

The investigation report referred to earlier also indicates that, in some areas, the rent paid under this program by the Government will reimburse the participant for the full value of the land in about three years. Numerous examples are cited, also, of the division of land among families, relatives and others for the purpose of getting around the limitation of \$5,000 on the amount which may be paid any one participant. In one case the payments ran as high as \$48,920.

In order to put this program on a more sound basis, and in order to keep it in line with other conservation programs of the Department, the Committee has included language in the bill which will limit the rate of payment in any one year to 20 percent of the value of the land and will prohibit payments to participants who illegally divide their land to increase their payments. The proposed language will also

make the Federal share of payments for conservation practices comparable to rates established for the agricultural conservation program.

The Committee also directs that 50 percent of the funds transferred from this appropriation to the Office of General Counsel shall be used for the specific purpose of checking contracts to determine legality in cases where actions may have been taken to evade limitations in the Act or administrative regulations, or where there may have been misrepresentation in fixing rates or other contract terms.

It appears that the operating costs for this program are too high, as compared to other conservation programs of the Department. In 1957, \$18,000,000 was spent to administer some 90,000 conservation reserve contracts. This is 75 percent as much as the amount used to administer the agricultural conservation program with 1¼ million participants.

Acreage reserve program.—An appropriation of \$330,000,000, the full budget estimate, is included in the bill for the coming fiscal year to pay off contracts signed under the 1958 crop year program. In view of the unexpectedly heavy sign-ups for the 1958 program, it may be necessary to supplement these funds at a later date. As proposed in the Budget by the President and the Secretary of Agriculture, no authority is provided for a 1959 program.

This acreage reserve program cost approximately \$525 million in fiscal year 1957 and will cost another \$600 million in fiscal year 1958. When taken with the conservation reserve, the cost of the two programs for fiscal years 1957 and 1958 is \$1.3 billion. This is more than the cost of the price support program for the first fifteen years of its existence.

COMMODITY STABILIZATION SERVICE

The Commodity Stabilization Service has responsibility for the operation of the Commodity Credit Corporation, the acreage allotment and marketing quota program, the Sugar Act, the International Wheat Agreement, the ASC State and county offices, and various related activities.

Acreage allotments and marketing quotas.—An appropriation of \$39,715,000 is included in the bill for the fiscal year 1959. This is the full amount of the budget estimate and is a reduction of \$1 million below funds appropriated for fiscal year 1958.

The decrease of \$1 million is made possible by improved methods of operation at the county office level. Also, it is expected that the workload of the ASC county offices in administering acreage allotments and marketing quotas will decrease as additional acreages of crop land are placed under the conservation reserve program.

Sugar Act program.—The Committee recommends the sum of \$71,000,000 for 1959, an increase of \$3,337,500 over the 1958 appropriation and a decrease of \$5,000,000 in the budget estimate. Estimates submitted to the Committee indicate that sugar production from 1958 crops will exceed 1957 crops. Additional funds are needed to cover increased payments to producers in line with the increased

production. Also, a portion of the increase is required to make payments on a small part of the 1957 crop which could not be made from funds available for 1958.

FEDERAL CROP INSURANCE CORPORATION

Crop insurance offered to agricultural producers provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

The Committee recommends the full budget estimate of \$6,376,700 for administration of this program in 1959. This is the same amount as was authorized for fiscal year 1958.

In accordance with the established policy of limited operations on an experimental basis, the 1958 crop insurance program will operate in 818 counties. No net increase in counties is planned for 1959. However, insurance on additional crops will be offered in some of the 818 counties where insurance is already available. It is estimated that 380,000 crops will be insured in 1959 as compared to 365,000 crops insured during fiscal year 1958.

Although losses were heavy in a few areas in 1957, latest reports indicate that income will exceed indemnity payments by about \$5.7 million. Generally, the principal causes of loss in 1957 were drought, plant disease, excessive moisture, and freezing. In view of rather heavy losses during the several previous years due to floods and drought, particularly in the Great Plains area, the reported net profit for 1957 is especially encouraging. This is particularly true, since it seems preferable to continue this program as a means of meeting agricultural disasters, where the producers participate, rather than to appropriate large sums of Federal money in the form of disaster relief.

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration was established by Executive Order in 1935 to make loans for the extension of central station electric service to unserved rural people. The Agency was continued by the Rural Electrification Act of 1936 and became a part of the Department of Agriculture in 1939. In 1949, the Act was amended to authorize REA to make loans for the purpose of furnishing and improving telephone service to rural areas. Loans for construction of electric and telephone facilities are self liquidating within a period of not to exceed thirty-five years, including interest.

Loan authorization.—The Budget for fiscal year 1959 proposed \$150 million for rural electrification loans and \$56 million for rural telephone loans. From information supporting that Budget it might be presumed that those estimates represent the loan requirements for these purposes for a full year. Testimony developed during the hearings, however, discloses that the sums requested are approximately one-half the amounts necessary to cover loan needs for the full fiscal year.

The loan fund estimates submitted to Congress in the regular Budget in January were based on the assumption that Congress would enact

into law proposed legislation which provides that the local REA cooperatives will obtain a portion of their loan funds in the future by borrowing from private sources. The principal provisions of this bill, recommended by the President and the Secretary of Agriculture, but not yet officially introduced by any member of Congress, appear in the hearings on pages 1847-1848 of Part 3.

It is to be noted that, under the terms of this proposed legislation, the operating costs of the REA cooperatives would be increased through a substantial increase in interest rates. Further, the legislation would increase the Government's liability to the private lenders and would make it possible for the first lien, which the Government now has on the approximately \$3.6 billion in assets of the REA cooperatives, to be surrendered to purchasers of the debentures or bonds issued by the REA. This could lead to the taking over of this great program by foreclosure by the purchasers of the bonds or debentures and could result in the complete loss of these valuable assets to the Federal government.

The Committee wishes to go on record at this point as strongly opposing any such proposed change in the law. It can see no possible benefits to the REA cooperatives and it can foresee the possibility of enormous losses to the taxpayers if such legislation were adopted. It is to be noted that so far no one has introduced such proposed legislation in the Congress.

The Committee is of the opinion that the REA program as it now exists is sound. It has extended electric service to rural America to the point where 95 percent of all rural residents are now served. It has furnished electric power for agricultural purposes at a cost which agricultural producers can afford. Furthermore, it has set an enviable repayment record, in that the rate of repayment on loans made to date, including interest, exceeds 100 percent of maturities due.

The Committee can understand why there are some in this country who would like to take over the first lien on the properties of this large and successful operation. It feels, however, that the interests of the taxpayers must be protected against such possibility, since the taxpayers' money has been used to establish this program and build it up to its present level of operation.

In order to assure that adequate loan funds are available during the coming fiscal year, the Committee is recommending \$300,000,000 for electrification loans and \$60,000,000 for telephone loans. In addition, it has provided a contingency fund of \$25,000,000 for each program, if needed. Based on the best estimates available from REA sources, these amounts appear to be sufficient to cover a full year's needs. If applications exceed present estimates, however, the Committee will consider the need for additional funds at a later date.

The Committee does not feel that its recommendations for this purpose for the coming year should be based on the remote possibility that the proposed legislation which provides for financing through private sources will be enacted into law. It feels that sufficient loan funds should be made available by the Congress in this bill to cover all loan applications which will be approved by the REA during the next fiscal year. Since these loan funds will be repayed in full, plus interest, to the Treasury of the United States, and since no funds are

drawn from the Treasury until loan applications are approved, regardless of the size of authorizations provided by Congress, there is no sound reason for not providing sufficient loan authorizations to meet all foreseeable needs. It is pointed out again that these loan funds are secured by a first lien on the lines and equipment of the REA cooperatives.

Salaries and expenses.—For administrative expenses for the REA program, the Committee recommends the budget estimate of \$9,019,000, a decrease of \$11,950 below the appropriation for the fiscal year 1958. Of the funds appropriated for 1958, \$11,950 was placed in reserve and will not be used during the current year. Therefore, the amount proposed for 1959 will cover the same administrative costs as were required during the fiscal year 1958.

FARMERS' HOME ADMINISTRATION

The Farmers' Home Administration performs the following five major activities: (1) makes direct and insured farm ownership loans to farm tenants, farm laborers, share croppers and other individuals for the purchase, enlargement or development of family type farms; (2) makes production and subsistence loans to farmers and stockmen for farm operating expenses and other farm needs, including the financing of indebtedness and family subsistence; (3) makes direct and insured soil and water conservation loans for the development and utilization of water supplies and for the improvement of farm lands by soil and water conserving facilities and practices; (4) makes emergency loans to farmers and stockmen in designated areas where disaster has caused need for agricultural credit not readily available from other sources; (5) makes farm housing loans for construction, improvement, alteration, repair or replacement of dwellings and other farm buildings; and (6) makes watershed loans to local organizations for installing, repairing or improving works of improvement and water storage facilities, purchasing sites or rights-of-way and for related costs of watershed projects. Technical guidance in planning and carrying out sound farm operations is provided farmers on the basis of their individual problems and needs. No loans are made to applicants who can secure adequate credit from other sources at reasonable rates.

Loan authorizations.—For the lending programs of this agency, the Committee recommends a total of \$209,500,000 for the coming fiscal year. This includes \$24,000,000 for farm ownership loans, \$180,000,000 for farm operation (production and subsistence) loans, and \$5,500,000 for soil and water conservation loans. The total amount recommended is \$34,500,000 more than combined estimate of \$175,000,000 included in the 1959 Budget. The amount recommended for each program is the same as was provided for the fiscal year 1958 for these programs. In addition, a contingency fund of \$20,000,000 is provided for production and subsistence loans, if needed.

The 1959 Budget proposed to consolidate the loan funds for all these programs into one amount and reduce the total to \$175 million. The Committee has not approved the budget recommendation on this matter. It feels that the past practice of authorizing a specific amount for each program should be continued.

If the Department feels that some latitude is needed to transfer funds from one category to another, the Committee is willing to con-

sider such proposal. However, it cannot go along with the proposal which would make it possible for the full amount of the combined authorization to be used for one program at the expense of the others. For example, under the 1959 budget proposal, the Department could spend the entire \$175 million requested for one type of loan program. The entire amount could be used for soil and water conservation loans for which a maximum of \$5,500,000 has been provided heretofore.

The Committee was also surprised to note that the budget proposed a maximum of \$175 million for all loan programs of this agency. During the past few years, \$180 million has been spent on one of the programs alone, the production and subsistence loans. It will be recalled that even this amount has been inadequate for production and subsistence loans in recent years. Many areas of the country have run out of loan funds for this purpose early in the spring of each year.

Attention is directed to the fact that this program has reached the point where annual collections will soon equal the amount of loans made each year. In fiscal year 1957, collections of principal and interest totaled \$183.6 million as compared with \$231.9 million advanced for such loans. In 1958, collections are estimated to total \$214.3 million as compared to loans of \$209.5 million. In fiscal year 1959, collections are estimated at \$227.1 million as compared to a proposed loan authorization of \$209.5 million.

As has been pointed out in previous years, the repayment record of this program is very good. The repayment of principal plus interest frequently exceeds amounts due, with some borrowers repaying in advance of the repayment rate required. In view of the fact that these loans are generally made to those who can not secure credit elsewhere, the Committee feels that this is an excellent record which fully supports the provision of adequate loan funds to meet the needs of this agency's borrowers.

In granting funds for farm ownership loans, the Committee believes it to be highly desirable that the most cautious discretion be used to prevent placing a debt burden upon borrowers. The continuation of the so-called price-cost squeeze coupled with high land values has affected ability of some borrowers to repay loans. The Farmers' Home Administration has a dual obligation of advising the borrower and giving Government direction concerning his farm management problems and creating a national atmosphere conducive to sound land investment.

The Committee is disappointed at the refusal of the officials of this agency to more fully use their authority to meet credit needs in disaster areas. Heavy losses due to drought, floods and weather continue to plague agricultural sections of the country.

Due to heavy rains during the harvesting season last year, much of the cotton production of the southeastern part of the country was lost. This has created a serious economic situation in that area. Since many of these farmers have no other possible source of credit or relief, it is imperative that the Department step in and meet their needs. Past experience in similar situations demonstrates that these people can be relied upon to meet their obligations and repay these disaster loans on a reasonable basis.

Salaries and expenses.—The Committee recommends the full budget estimate of \$29,089,500 for the coming fiscal year, the same amount as was appropriated for the fiscal year 1958. It is expected that the

loan activities of the agency will remain about the same in 1959 as during the current year.

OFFICE OF THE GENERAL COUNSEL

This Office performs all legal work arising from the activities of the Department. The General Counsel represents the Department in many administrative proceedings for the promulgation of rules having the force and effect of law; in quasi-judicial hearings held in connection with the administration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities. He serves as general counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation. In addition, he reviews criminal cases arising under the programs of the Department for referral to the Department of Justice.

The 1958 appropriation, \$2,943,000, is again recommended for this Office for the coming fiscal year. This is a decrease of \$100,000 in the budget estimate.

The Committee is of the opinion that in recent years this office has failed a number of times to render objective opinions on legal questions. This appears to be based on determinations by Departmental officials prior to a request for formal legal opinions, with the General Counsel being asked subsequent thereto to render formal opinions to support determinations made or actions already taken. This has led this Office to be used largely to bolster administrative policies and decisions.

An illustration of this is the position taken by the General Counsel with respect to developments under the 1958 Acreage Reserve Program. Despite language in the Soil Bank Act which provides that—

The limits within which each farm may participate in the acreage reserve program shall be established in such manner as the Secretary determines is reasonably calculated to achieve the national reserve acreage goal and give producers a fair and equitable opportunity to participate in the acreage reserve program, taking into consideration their acreage allotments or farm-base acreages, whichever may be applicable, the supply and demand conditions for different classes, grades and qualities of the commodity, and such other factors as he deems appropriate—

the General Counsel held officially that farmers who went to the place designated for the sign-up, within the time specified by the Department, could be denied their right "to participate on a fair and equitable basis" by the Secretary surrendering his responsibility to various State committees. While this decision may have served to support the Department's refusal to scale back rates offered or limit acreage within the \$500 million program announced last year, it appears erroneous to a majority of the members of the Committee. This decision led directly to spending \$250 million additional in the acreage reserve program above that authorized by Congress last year.

The Committee and the Congress were required to protect the rights of such farmers under the law, after the Department refused to take any action, by including an additional authorization in the Second

Supplemental Appropriation Act of 1958. Such emergency action would not have been necessary, however, if an objective opinion had been rendered in this case by the General Counsel. The Committee has also taken exception in recent years to several other important decisions rendered by the General Counsel on the basis that they were not objective, but rather sought to serve the purposes of the officials requesting the decisions.

The Committee has not approved the \$100,000 increase recommended in the Budget in the belief that there should be a change in the basic concept of the duties of the General Counsel before further expansion is approved.

OFFICE OF THE SECRETARY

The Office of the Secretary includes such staff offices of the Department as the immediate Office of the Secretary, the Office of Personnel, the Office of Budget and Finance, the Office of Plant and Operations, the Office of Hearing Examiners, the Office of Administrative Management, and the National Agricultural Advisory Commission.

The Committee recommends \$2,668,895 for fiscal year 1959, an increase of \$8,235 in the Budget and an increase over the amount appropriated for the current fiscal year. This increase is a transfer from the Office of Information and is provided to cover the preparation and distribution in this Office of speeches by the Secretary, the Under Secretary, and the various assistant secretaries, work heretofore performed by the Office of Information. The Committee believes that all funds and personnel used for preparation and handling of speeches of these top officials should be located in the immediate office of the Secretary.

During the past recess of Congress, the Committee conducted a study of the activities of the Office of Information in connection with the preparation and distribution of speeches by the Secretary and his immediate assistants. Based on this study it is estimated that a total of \$41,179 has been spent to prepare and distribute the Secretary's speeches since January, 1953. This averages about \$8,235 per year.

The Committee questions the use of funds and personnel of the Office of Information for speech writing and distribution. Many times such speeches are of a political nature, frequently they contain only a portion of the story and present only limited factual information, and are detrimental to maintaining confidence in the Office of Information.

Language has been included in the bill to permit the charging of travel expenses of hearings examiners to the various funds which finance the subject matter of the hearings conducted through this appropriation. This arrangement seems to be the most satisfactory way to meet the large fluctuations in workload for the different programs, which are hard to predict in advance. The Committee requests that it be kept advised of the use of this authority by the Department.

OFFICE OF INFORMATION

The Office of Information has general direction and supervision over all publications and other information activities of the Department.

The Office publishes the Yearbook of Agriculture, the Annual Report of the Secretary of Agriculture, the Department Directory, and the Department List of Publications. It handles the distribution of farm bulletins and requests for information received in the Department. It also produces motion pictures, chart and graphic materials and photographic work for the Department and other Government agencies through reimbursement.

For the coming fiscal year, the Committee recommends \$1,359,265, a reduction of \$8,235 in the budget estimate and in the amount appropriated for fiscal year 1958.

It is to be noted that the primary purpose of this Office is to disseminate results of scientific research carried on by the various agencies of the Department. To protect the integrity of the office, and to limit its function to the distribution of scientific information, for which purpose it was created, the Committee has transferred \$8,235 to the Office of Secretary so as to center in that Office the preparation and distribution of speeches by top officials of the Department.

LIBRARY

The Library procures and preserves all information concerning Agriculture. Under the act establishing the Department of Agriculture, it serves as the National Agricultural Library.

The full budget estimate of \$772,000 is recommended in the bill for the coming fiscal year. This is the same amount as was provided for fiscal year 1958. No change in functions or workload is expected during the coming year.

COMMODITY CREDIT CORPORATION

The Commodity Credit Corporation was organized on October 17, 1933. Until 1939 it was managed and operated in close affiliation with the Reconstruction Finance Corporation. In July, 1939 it was transferred to the Department of Agriculture by the President's Reorganization Plan Number 1. Under the Commodity Credit Corporation Charter Act of 1948, it was established as an instrumentality of the United States under a permanent Federal charter. The Corporation engages in buying, selling, lending and other activities with respect to agricultural commodities, their products, food, seeds, and fibers, for the purpose of stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balanced and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

Restoration of capital impairment.—The budget estimate of \$1,760,399,886 is included in the bill for restoration of capital impairment of the Corporation through June 30, 1957. A breakdown of this amount is as follows:

[In millions]

Price support program:	
Basic commodities	\$907
Mandatory nonbasic commodities	296
Other nonbasic commodities	96
Total, price supports	1, 299
Commodity export program	147
Interest, administrative and other (net)	314
Total	1, 760

For a number of years now, the Committee has insisted that the Department offer its commodities for sale in world trade on a competitive basis for dollars, in order to keep United States commodities on world sales counters, and in order to move the huge surpluses in storage in the United States. After continued urging by this Committee and after the establishment of a special sales organization for the Corporation in the 1956 Appropriation Act, the Department began moving agricultural commodities in foreign trade for dollars. This program proved very effective and large quantities of United States commodities were moved into world trade as a result. As a matter of fact, the Secretary has claimed considerable credit for the volume of commodities which have moved into foreign markets during the past several years. In recent months, he has pointed out that CCC holdings have gone from a high of \$8.9 billion in 1956 to approximately \$7.2 billion as of January 1958.

The Committee is proud of what has been accomplished in this connection and strongly insists that the Secretary continue to offer our commodities in world trade on a competitive basis for dollars. Considerable progress has been made in regaining historical markets for the United States and discouraging expansion of foreign production of commodities in competition with this country. Any actions taken to decrease the effectiveness of this highly successful competitive sales program would be a real disservice to the nation.

Administrative expenses.—The Committee recommends \$35,398,000 for the administrative expenses of the Corporation during the coming fiscal year. This is a reduction of \$702,000 in the budget estimate and is the same amount as was provided for the fiscal year 1958.

No increase in funds for the coming fiscal year appears to be warranted. The estimated workload in price support operations will probably be less in the coming fiscal year than during the present year.

FARM CREDIT ADMINISTRATION

The Farm Credit Administration provides supervision, examination, facilities and services to the coordinated system of farm credit banks and corporations which make loans to farmers and their cooperatives. It was originally created in 1933 and was transferred to the Department of Agriculture in 1939. It was re-established as an independent agency by the Farm Credit Act of 1953.

The bill includes administrative expense limitations of \$3,818,000 for the Farm Credit Administration and the Federal intermediate credit banks for the fiscal year 1959. This is a decrease of \$1,757,000 in the administrative expense limitations authorized in 1958. The

amounts recommended include \$2,125,000 for the parent organization, the Farm Credit Administration, and \$1,693,000 for the Federal intermediate credit banks.

The amount provided for the intermediate credit banks covers expenses for the six months period ending December 31, 1958. Effective January 1, 1959, the administrative expenses of these institutions are not subject to Congressional limitation, as provided by the Farm Credit Act of 1956.

The Federal Farm Mortgage Corporation has been inactive since July 1, 1957, when its loan authority was repealed. As of June 30, 1955, all assets except reserve mineral interests were liquidated through bulk sale to the Federal land banks. All government capital has been repaid except \$10,000 which will be returned in 1958.

GENERAL PROVISIONS

The general provisions contained in the accompanying bill for fiscal year 1959 are the same as those included in previous appropriation bills.

Section 401 authorizes the purchase of 466 passenger motor vehicles in fiscal year 1959 as compared to 552 authorized for 1958. This will permit the replacement of 462 worn out vehicles and the purchase of four new cars for plant quarantine work in Florida.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in any appropriation act are included in the bill:

On page 3, line 7, in connection with the Agricultural Research Service:

Provided, That the limitations contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U. S. C. 113a);

On page 8, line 23, in connection with Watershed Protection:

Provided, That not to exceed \$100,000 may be used for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a).

On page 15, line 19, in connection with School Lunch Program:

Provided further, That \$55,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act, such additional funds to be used for the general purposes of section 32.

On page 17, line 12, in connection with Conservation Reserve Program:

Provided further, That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on annual payments to participants: Provided further, That no part of these funds shall

be paid on any contract where payments are made for land rental at rates in excess of 20 per centum of the current value of the land rented or where payments are made for conservation practices in excess of the average rate for comparable practices under the agricultural conservation program.

On page 23, line 11, in connection with Office of the Secretary:

Provided, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedure Act (5 U. S. C. 1001).

PERMANENT AUTHORIZATIONS

Agency and Item	Authorizations, 1958	Estimates, 1959	Increase or decrease
Agricultural Marketing Service:			
Removal of surplus agricultural commodities-----	\$220, 878, 158	\$232, 500, 000	+\$11, 621, 842
Perishable Agricultural Commodities Act fund-----	662, 000	679, 600	+17, 600
Total, Agricultural Marketing Service-----	221, 540, 158	233, 179, 600	+11, 639, 442
Commodity Stabilization Service: National Wool Act-----	29, 671, 679	30, 000, 000	+328, 321
Total, permanent appropriations-----	251, 211, 837	263, 179, 600	+11, 967, 763

LOAN AUTHORIZATIONS

Agency and item	Authorizations, 1958	Estimates, 1959	Recommended in bill for 1959	Bill compared with—	
				1958 authorizations	1959 estimates
Rural Electrification Administration:					
Electrification.....	\$179, 000, 000	\$150, 000, 000	1 \$300, 000, 000	+\$121, 000, 000	+\$150, 000, 000
Telephone.....	60, 000, 000	56, 000, 000	1 60, 000, 000	-----	+ 4, 000, 000
Total, Rural Electrification Administration.....	239, 000, 000	206, 000, 000	360, 000, 000	+\$121, 000, 000	+\$154, 000, 000
Farmers Home Administration:					
Farm ownership and farm housing.....	24, 000, 000	(2)	24, 000, 000	-----	(2)
Farm operation (production and subsistence).....	180, 000, 000	(2)	3 180, 000, 000	-----	(2)
Soil and water conservation.....	5, 500, 000	(2)	5, 500, 000	-----	(2)
Total, Farmers Home Administration.....	209, 500, 000	175, 000, 000	209, 500, 000	-----	+ 34, 500, 000
Total, loan authorizations.....	448, 500, 000	381, 000, 000	569, 500, 000	+\$121, 000, 000	+ 188, 500, 000

¹ In addition, contingency funds of \$25,000,000 for each program authorized.

² Budget proposed to appropriate lump-sum amount to be used for all categories of loans at discretion of Secretary of Agriculture.

³ In addition, contingency fund of \$20,000,000 authorized.

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1958 AND ESTIMATES AND AMOUNTS RECOMMENDED
IN BILL FOR 1959

REGULAR ACTIVITIES (TITLE I)

Agency and item	Appropriations, 1958	Estimates, 1959	Recommended in bill for 1959	Bill compared with—	
				1958 appropriations	1959 estimates
Agricultural Research Service:					
Salaries and expenses:					
Research-----	¹ \$57, 794, 890	\$60, 744, 890	\$58, 444, 890	+\$650, 000	--\$2, 300, 000
Plant and animal disease and pest control-----	30, 082, 000	42, 132, 000	² 41, 732, 000	+11, 650, 000	--400, 000
Meat inspection-----	16, 826, 000	17, 326, 000	³ 24, 326, 000	+7, 500, 000	+7, 000, 000
Total, Salaries and expenses-----	104, 702, 890	120, 202, 890	124, 502, 890	+19, 800, 000	+4, 300, 000
State experiment stations:					
Payments to States, Hawaii, Alaska and Puerto Rico-----	30, 353, 708	30, 353, 708	30, 353, 708		-----
Penalty mail-----	250, 000	250, 000	250, 000		-----
Total, State experiment stations-----	30, 603, 708	30, 603, 708	30, 603, 708		-----
Total, Agricultural Research Service-----	135, 306, 598	150, 806, 598	155, 106, 598	+19, 800, 000	+4, 300, 000
Extension Service:					
Payments to States, Hawaii, Alaska, and Puerto Rico-----	50, 715, 000	50, 715, 000	50, 715, 000		-----

Retirement costs for extension agents-----	5, 260, 000	5, 479, 375	5, 479, 375	+ 219, 375	-----
Penalty mail-----	2, 164, 000	1, 868, 480	1, 868, 480	- 295, 520	-----
Federal Extension Service-----	2, 096, 540	2, 096, 540	2, 096, 540	-----	-----
Total, Extension Service-----	60, 235, 540	60, 159, 395	60, 159, 395	- 76, 145	-----
Farmer Cooperative Service-----	578, 000	578, 000	578, 000	-----	-----
Soil Conservation Service:					
Conservation operations-----	72, 545, 000	72, 280, 000	74, 780, 000	+ 2, 235, 000	+ 2, 500, 000
Watershed protection-----	25, 500, 000	24, 000, 000	25, 500, 000	-----	+ 1, 500, 000
Flood prevention-----	13, 220, 000	18, 000, 000	18, 000, 000	+ 4, 780, 000	-----
Water conservation and utilization projects-----	350, 000	335, 000	335, 000	- 15, 000	-----
Great Plains conservation program-----	10, 000, 000	10, 000, 000	10, 000, 000	-----	-----
Total, Soil Conservation Service-----	121, 615, 000	124, 615, 000	128, 615, 000	+ 7, 000, 000	+ 4, 000, 000
Agricultural Conservation Program Service:					
Agricultural conservation program-----	212, 000, 000	235, 000, 000	235, 000, 000	+ 23, 000, 000	-----
Emergency conservation measures-----	20, 000, 000	-----	-----	- 20, 000, 000	-----
Total, Agricultural Conservation Program Service-----	232, 000, 000	235, 000, 000	235, 000, 000	+ 3, 000, 000	-----

See footnotes at end of table, p. 43.

Comparative statement of appropriations for 1958 and estimates and amounts recommended in bill for 1959—Continued

REGULAR ACTIVITIES (TITLE I)—Continued

Agency and item	Appropriations, 1958	Estimates, 1959	Recommended in bill for 1959	Bill compared with—	
				1958 appropriations	1959 estimates
Agricultural Marketing Service:					
Marketing research and service:					
Marketing research and agricultural estimates-----	\$14, 116, 700	\$14, 095, 000	\$14, 095, 000	—\$21, 700	-----
Marketing services-----	15, 574, 900	21, 197, 000	3 14, 097, 000	—1, 477, 900	—\$7, 100, 000
Total, marketing research and service-----	29, 691, 600	35, 292, 000	28, 192, 000	—1, 499, 600	—7, 100, 000
Payments to States, Territories, and possessions--	1, 160, 000	1, 160, 000	1, 160, 000	-----	-----
School lunch program-----	100, 000, 000	100, 000, 000	5 100, 000, 000	-----	-----
Total, Agricultural Marketing Service-----	130, 851, 600	136, 452, 000	129, 352, 000	—1, 499, 600	—7, 100, 000
Foreign Agricultural Service-----	4, 002, 300	4, 002, 300	4, 002, 300	-----	-----
Commodity Exchange Authority-----	832, 000	832, 000	832, 000	-----	-----
Soil bank programs:					
Conservation reserve-----	162, 940, 000	350, 000, 000	250, 000, 000	+ 87, 060, 000	—100, 000, 000
Acreage reserve-----	6 600, 000, 000	330, 000, 000	330, 000, 000	—270, 000, 000	-----
Total, soil bank programs-----	7 762, 940, 000	680, 000, 000	580, 000, 000	—182, 940, 000	—100, 000, 000

Commodity Stabilization Service:

Acreage allotments and marketing quotas-----	40,715,000	39,715,000	39,715,000	-1,000,000	-----
Sugar Act program-----	67,662,500	76,000,000	71,000,000	+3,337,500	-5,000,000
Total, Commodity Stabilization Service-----	108,377,500	115,715,000	110,715,000	+2,337,500	-5,000,000
Federal Crop Insurance Corp.: Operating and administrative expenses-----	6,376,700	6,376,700	6,376,700	-----	-----
Rural Electrification Administration: Salaries and expenses-----	9,030,950	9,019,000	9,019,000	-11,950	-----
Farmers' Home Administration: Salaries and expenses-----	29,089,500	29,089,500	29,089,500	-----	-----
Office of General Counsel-----	2,943,000	3,043,000	2,943,000	-----	-100,000
Office of Secretary-----	2,660,660	2,660,660	* 2,668,895	+8,235	+8,235
Office of Information-----	1,367,500	1,367,500	* 1,359,265	-8,235	-8,235
Library-----	772,000	772,000	772,000	-----	-----
Total, regular activities-----	1,608,978,848	1,560,488,653	1,456,588,653	-152,390,195	-103,900,000

¹ In addition, \$6,250 included in Second Supplemental Appropriation Act, 1958, for pear decline research.

² Includes \$15,000,000 direct appropriation for eradication of brucellosis previously financed from CCC funds.

³ Funds for mandatory poultry inspection under Public Law 85-172 transferred to appropriation for "meat inspection" from appropriation for "marketing services."

⁴ Amended by H. Doc. 351, dated Mar. 12, 1958.

⁵ In addition, language in bill transfers \$55,000,000 to this appropriation from sec. 32 funds for purchase and distribution of additional agricultural commodities for school lunch use.

⁶ \$250,000 additional included in Second Supplemental Appropriation Act, 1958.

⁷ In addition, reimbursement to CCC for costs incurred for soil-bank programs through June 30, 1957 in amount of \$489,500,000 contained in Second Supplemental Appropriation Act, 1958.

⁸ The sum of \$8,235 transferred from Office of Information to Office of Secretary to permit preparation and distribution of speeches by the Secretary, Under Secretary, and Assistant Secretaries in the Secretary's immediate office.

Comparative statement of appropriations for 1958 and estimates and amounts recommended in bill for 1959—Continued

CORPORATIONS (TITLE II)

Agency and item	Appropriations, 1958	Estimates, 1959	Recommended in bill for 1959	Bill compared with—	
				1958 appropriations	1959 estimates
Federal Crop Insurance Corporation Fund-----	(\$2, 000, 000)	(\$2, 000, 000)	(\$2, 000, 000)	-----	-----
Commodity Credit Corporation:					
Restoration of capital impairment-----	1, 239, 788, 671	1, 760, 399, 886	1, 760, 399, 886	+\$520, 611, 215	-----
Administrative expense limitation-----	(35, 398, 000)	(36, 100, 000)	(35, 398, 000)	(-----)	(-\$702, 000)
Total Corporations-----	1, 239, 788, 671	1, 760, 399, 886	1, 760, 399, 886	+\$520, 611, 215	-----

SPECIAL ACTIVITIES

Reimbursements to Commodity Credit Corporations:					
Animal disease eradication-----	\$18, 581, 660	(¹)	-----	-\$18, 581, 660	-----
Grading and classing-----	80, 449	(¹)	-----	-80, 449	-----
Special commodity disposal programs-----	824, 414, 129	(¹)	-----	-824, 414, 129	-----
Total, special activities-----	843, 076, 238	(¹)	-----	-843, 076, 238	-----

¹ No estimates included in budget for 1959. Amounts for these items totaling \$1,745,631,868 are contained in Second Supplemental Appropriation Act, 1958.

RELATED AGENCIES (TITLE III)

Farm Credit Administration-----	(\$2, 200, 000)	(\$2, 125, 000)	(\$2, 125, 000)	(-\$75, 000)	-----
Federal intermediate credit banks-----	(3, 375, 000)	(1, 693, 000)	(1, 693, 000)	(-\$1, 682, 000)	-----
Total, related agencies-----	(5, 575, 000)	(3, 818, 000)	(3, 818, 000)	(-\$1, 757, 000)	-----
Total, titles I through III-----	3, 691, 843, 757	3, 320, 888, 539	3, 216, 988, 539	-\$474, 855, 218	-\$103, 900, 000
Amounts contained in Second Supplemental Ap- propriation Act, 1958-----	2, 235, 388, 118	-----	-----	-----	-----
Total, including supplemental items-----	5, 927, 231, 875	3, 320, 888, 539	3, 216, 988, 539	-\$2, 235, 388, 118	-\$103, 900, 000

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Union Calendar No. 626

85TH CONGRESS
2^D SESSION

H. R. 11767

[Report No. 1584]

IN THE HOUSE OF REPRESENTATIVES

MARCH 28, 1958

Mr. WHITTEN, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and Farm Credit Administration for
6 the fiscal year ending June 30, 1959, namely:

DEPARTMENT OF AGRICULTURE

TITLE I—REGULAR ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production and utilization, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That not to exceed \$75,000 of the appropriations hereunder shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) : *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two, of which one shall be for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed \$10,000, except for five buildings to be constructed or improved at a cost not to exceed \$20,000 each, and the cost of altering any one building during the fiscal year shall not

1 exceed \$3,750 or 4 per centum of the cost of the building,
2 whichever is greater:

3 Research: For research and demonstrations on the pro-
4 duction and utilization of agricultural products, and related
5 research and services, including administration of payments
6 to State agricultural experiment stations; \$58,444,890:
7 *Provided*, That the limitations contained herein shall not
8 apply to replacement of buildings needed to carry out the
9 Act of April 24, 1948 (21 U. S. C. 113a) ;

10 Plant and animal disease and pest control: For opera-
11 tions and measures to control and eradicate pests and plant
12 and animal diseases and for carrying out assigned inspection,
13 quarantine and regulatory activities, as authorized by law;
14 \$41,732,000, of which \$1,000,000 shall be apportioned for
15 use pursuant to section 3679 of the Revised Statutes, as
16 amended, for the control of outbreaks of insects and plant
17 diseases to the extent necessary to meet emergency
18 conditions;

19 Meat inspection: For carrying out the provisions of laws
20 relating to Federal inspection of meat, meat-food products,
21 and poultry, and the applicable provisions of the laws re-
22 lating to process or renovated butter; \$24,326,000.

23 STATE EXPERIMENT STATIONS

24 Payments to States, Hawaii, Alaska, and Puerto Rico:
25 For payments to agricultural experiment stations to carry

1 into effect the provisions of the Hatch Act, approved March
2 2, 1887, as amended by the Act approved August 11, 1955
3 (7 U. S. C. 361a-361i), including administration by the
4 United States Department of Agriculture, \$29,853,708; and
5 payments authorized under section 204 (b) of the Agri-
6 cultural Marketing Act, the Act approved August 14, 1946
7 (7 U. S. C. 1623), \$500,000; in all, \$30,353,708.

8 Penalty mail: For penalty mail costs of agricultural
9 experiment stations, under section 6 of the Hatch Act of
10 1887, as amended, \$250,000.

11 DISEASES OF ANIMALS AND POULTRY

12 Eradication activities: For expenses necessary in the ar-
13 rest and eradication of foot-and-mouth disease, rinderpest,
14 contagious pleuro-pneumonia, or other contagious or infec-
15 tious diseases of animals, or European fowl pest and similar
16 diseases in poultry, and for foot-and-mouth disease and
17 rinderpest programs undertaken pursuant to the provisions
18 of the Act of February 28, 1947, and the Act of May 29,
19 1884, as amended (7 U. S. C. 391; 21 U. S. C. 111-122),
20 including expenses in accordance with section 2 of said Act
21 of February 28, 1947, the Secretary may transfer from
22 other appropriations or funds available to the bureaus, cor-
23 porations, or agencies of the Department such sums as he
24 may deem necessary, but not to exceed \$1,000,000 for
25 eradication of vesicular exanthema of swine, to be available

1 only in an emergency which threatens the livestock or
2 poultry industry of the country, and any unexpended bal-
3 ances of funds transferred under this head in the next pre-
4 ceding fiscal year shall be merged with such transferred
5 amounts: *Provided*, That this appropriation shall be subject
6 to applicable provisions contained in the item "Salaries and
7 expenses, Agricultural Research Service".

8 EXTENSION SERVICE

9 COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

10 Payments to States, Hawaii, Alaska, and Puerto Rico:

11 For payments for cooperative agricultural extension work
12 under the Smith-Lever Act, as amended by the Act of June
13 26, 1953 (7 U. S. C. 341-348), and the Act of August 11,
14 1955 (7 U. S. C. 347a), \$49,220,000; and payments and
15 contracts for such work under section 204 (b)-205 of the
16 Agricultural Marketing Act of 1946 (7 U. S. C. 1623-
17 1624), \$1,495,000; in all, \$50,715,000: *Provided*, That
18 funds hereby appropriated pursuant to section 3 (c) of
19 the Act of June 26, 1953, shall not be paid to any State,
20 Hawaii, Alaska, or Puerto Rico prior to availability of an
21 equal sum from non-Federal sources for expenditure during
22 the current fiscal year.

23 Retirement costs for extension agents: For cost of
24 employer's share of Federal retirement for cooperative
25 extension employees, \$5,479,375.

1 Penalty mail: For costs of penalty mail for coopera-
2 tive extension agents and State extension directors,
3 \$1,868,480.

4 Federal Extension Service: For administration of the
5 Smith-Lever Act, as amended by the Act of June 26, 1953
6 (7 U. S. C. 341-348), and the Act of August 11, 1955
7 (7 U. S. C. 347a), and extension aspects of the Agricultural
8 Marketing Act of 1946 (7 U. S. C. 1621-1627), and to
9 coordinate and provide program leadership for the extension
10 work of the Department and the several States, Territories,
11 and insular possessions, \$2,096,540.

12 FARMER COOPERATIVE SERVICE

13 SALARIES AND EXPENSES

14 For necessary expenses to carry out the Act of July 2,
15 1926 (7 U. S. C. 451-457), \$578,000.

16 SOIL CONSERVATION SERVICE

17 CONSERVATION OPERATIONS

18 For necessary expenses for carrying out the provisions
19 of the Act of April 27, 1935 (16 U. S. C. 590a-590f),
20 including preparation of conservation plans and establish-
21 ment of measures to conserve soil and water (including farm
22 irrigation and land drainage and such special measures as
23 may be necessary to prevent floods and the siltation of reser-
24 voirs) ; operation of conservation nurseries; classification and
25 mapping of soils; dissemination of information; purchase

1 and erection or alteration of permanent buildings; and
2 operation and maintenance of aircraft; \$74,780,000:
3 *Provided*, That the cost of any permanent building pur-
4 chased, erected, or as improved, exclusive of the cost of
5 constructing a water supply or sanitary system and connect-
6 ing the same to any such building and with the exception of
7 buildings acquired in conjunction with land being purchased
8 for other purposes, shall not exceed \$2,500, except for eight
9 buildings to be constructed or improved at a cost not to exceed
10 \$15,000 per building and except that alterations or improve-
11 ments to other existing permanent buildings costing \$2,500
12 or more may be made in any fiscal year in an amount not to
13 exceed \$500 per building: *Provided further*, That no part
14 of this appropriation shall be available for the construction
15 of any such building on land not owned by the Government:
16 *Provided further*, That in the State of Missouri, where the
17 State has established a central State agency authorized to
18 enter into agreements with the United States or any of its
19 agencies on policies and general programs for the saving of
20 its soil by the extension of Federal aid to any soil conserva-
21 tion district in such State, the agreements made by or on
22 behalf of the United States with any such soil conservation
23 district shall have the prior approval of such central State
24 agency before they shall become effective as to such district:
25 *Provided further*, That no part of this appropriation may be

1 expended for soil and water conservation operations under
2 the Act of April 27, 1935 (16 U. S. C. 590a-590f), in
3 demonstration projects: *Provided further*, That not to exceed
4 \$5,000 may be used for employment pursuant to the second
5 sentence of section 706 (a) of the Organic Act of 1944
6 (5 U. S. C. 574), as amended by section 15 of the Act of
7 August 2, 1946 (5 U. S. C. 55a) : *Provided further*, That
8 qualified local engineers may be temporarily employed at
9 per diem rates to perform the technical planning work of
10 the service.

11 WATERSHED PROTECTION

12 For expenses necessary to conduct surveys, investiga-
13 tions, and research and to carry out preventive measures,
14 including, but not limited to, engineering operations, methods
15 of cultivation, the growing of vegetation, and changes in use
16 of land, in accordance with the Watershed Protection and
17 Flood Prevention Act, approved August 4, 1954, *as*
18 *amended* (16 U. S. C. 1001-1007), and the provisions of the
19 Act of April 27, 1935 (16 U. S. C. 590a-590f), to remain
20 available until expended, \$25,500,000, with which shall be
21 merged the unexpended balances of funds heretofore appro-
22 priated or transferred to the Department for watershed pro-
23 tection purposes: *Provided*, That not to exceed \$100,000
24 may be used for employment pursuant to the second sentence
25 of section 706 (a) of the Organic Act of 1944 (5 U. S. C.

1 574), as amended by section 15 of the Act of August 2,
2 1946 (5 U. S. C. 55a).

3 FLOOD PREVENTION

4 For expenses necessary, in accordance with the Flood
5 Control Act, approved June 22, 1936 (33 U. S. C. 701–
6 709), as amended and supplemented, and in accordance
7 with the provisions of laws relating to the activities of the
8 Department, to perform works of improvement, including
9 not to exceed \$100,000 for employment pursuant to the
10 second sentence of section 706 (a) of the Organic Act of
11 1944 (5 U. S. C. 574), as amended by section 15 of the
12 Act of August 2, 1946 (5 U. S. C. 55a), to remain avail-
13 able until expended, \$18,000,000, with which shall be
14 merged the unexpended balances of funds heretofore ap-
15 propriated or transferred to the Department for flood pre-
16 vention purposes: *Provided*, That no part of such funds
17 shall be used for the purchase of lands in the Yazoo and
18 Little Tallahatchie watersheds without specific approval of
19 the county board of supervisors of the county in which
20 such lands are situated.

21 WATER CONSERVATION AND UTILIZATION PROJECTS

22 For expenses necessary to carry out the functions of the
23 Department under the Acts of August 11, 1939, and October
24 14, 1940 (16 U. S. C. 590y–z–10), as amended and supple-

1 mented, June 28, 1949 (63 Stat. 277), and September
2 6, 1950 (7 U. S. C. 1033-39), relating to water con-
3 servation and utilization projects, to remain available until
4 expended, \$335,000, which sum shall be merged with
5 the unexpended balances of funds heretofore appropriated
6 to said Department for the purpose of said Acts.

7 GREAT PLAINS CONSERVATION PROGRAM

8 For necessary expenses to carry into effect a program
9 of conservation in the Great Plains area, pursuant to section
10 16 (b) of the Soil Conservation and Domestic Allotment
11 Act, as added by the Act of August 7, 1956 (16 U. S. C.
12 590p), \$10,000,000, to remain available until expended.

13 AGRICULTURAL CONSERVATION PROGRAM

14 For necessary expenses to carry into effect the pro-
15 gram authorized in sections 7 to 15, 16 (a), and 17 of the
16 Soil Conservation and Domestic Allotment Act, approved
17, February 29, 1936, as amended (16 U. S. C. 590g-590
18 (o), 590p (a), and 590q), including not to exceed \$6,000
19 for the preparation and display of exhibits, including such
20 displays at State, interstate, and international fairs within
21 the United States; \$235,000,000, to remain available until
22 December 31 of the next succeeding fiscal year for compli-
23 ance with the program of soil-building and soil- and water-
24 conserving practices authorized under this head in the
25 Department of Agriculture and Farm Credit Administration

1 Appropriation Act, 1958, carried out during the period July
2 1, 1957, to December 31, 1958, inclusive: *Provided*, That
3 not to exceed \$24,698,000 of the total sum provided under
4 this head shall be available during the current fiscal year
5 for administrative expenses for carrying out such program,
6 the cost of aerial photographs, however, not to be charged
7 to such limitation; but not more than \$5,025,800 shall be
8 transferred to the appropriation account "Administrative
9 expenses, section 392, Agricultural Adjustment Act of
10 1938": *Provided further*, That none of the funds herein
11 appropriated shall be used to pay the salaries or expenses
12 of any regional information employees or any State infor-
13 mation employees, but this shall not preclude the answer-
14 ing of inquiries or supplying of information at the county
15 level to individual farmers: *Provided further*, That such
16 amounts shall be available for administrative expenses in
17 connection with the formulation and administration of the
18 1959 program of soil-building and soil- and water-conserving
19 practices, under the Act of February 29, 1936, as amended
20 (amounting to \$250,000,000, including administration, and
21 no participant shall receive more than \$2,500, except where
22 the participants from two or more farms or ranches join to
23 carry out approved practices designed to conserve or improve
24 the agricultural resources of the community): *Provided*
25 *further*, That not to exceed 5 per centum of the allocation

1 for the 1959 agricultural conservation program for any
2 county may, on the recommendation of such county com-
3 mittee and approval of the State committee, be withheld
4 and allotted to the Soil Conservation Service for services of
5 its technicians in formulating and carrying out the agricul-
6 tural conservation program in the participating counties,
7 and shall not be utilized by the Soil Conservation Service
8 for any purpose other than technical and other assistance in
9 such counties, and in addition, on the recommendation of
10 such county committee and approval of the State commit-
11 tee, not to exceed 1 per centum may be made available to
12 any other Federal, State, or local public agency for the
13 same purpose and under the same conditions: *Provided*
14 *further*, That for the 1959 program \$2,500,000 shall be
15 available for technical assistance in formulating and carry-
16 ing out agricultural conservation practices and \$1,000,000
17 shall be available for conservation practices related di-
18 rectly to flood prevention work in approved watersheds:
19 *Provided further*, That such amounts shall be available
20 for the purchase of seeds, fertilizers, lime, trees, or any
21 other farming material, or any soil-terracing services, and
22 making grants thereof to agricultural producers to aid
23 them in carrying out farming practices approved by the
24 Secretary under programs provided for herein: *Provided*
25 *further*, That no part of any funds available to the De-

1 department, or any bureau, office, corporation, or other
2 agency constituting a part of such Department, shall be
3 used in the current fiscal year for the payment of salary or
4 travel expenses of any person who has been convicted of
5 violating the Act entitled "An Act to prevent pernicious
6 political activities", approved August 2, 1939, as amended,
7 or who has been found in accordance with the provisions
8 of title 18, United States Code, section 1913, to have vio-
9 lated or attempted to violate such section which prohibits
10 the use of Federal appropriations for the payment of per-
11 sonal services or other expenses designed to influence in
12 any manner a Member of Congress to favor or oppose any
13 legislation or appropriation by Congress except upon re-
14 quest of any Member or through the proper official
15 channels.

16 AGRICULTURAL MARKETING SERVICE

17 MARKETING RESEARCH AND SERVICE

18 For expenses necessary to carry on research and service
19 to improve and develop marketing and distribution relating
20 to agriculture as authorized by the Agricultural Marketing
21 Act of 1946 (7 U. S. C. 1621-1627) and other laws,
22 including the administration of marketing regulatory acts
23 connected therewith: *Provided*, That appropriations here-
24 under shall be available pursuant to 5 U. S. C. 565a for
25 the construction, alteration, and repair of buildings and im-

1 improvements, but unless otherwise provided, the cost of
2 erecting any one building shall not exceed \$10,000, except
3 for two buildings to be constructed or improved at a cost
4 not to exceed \$20,000 each, and the cost of altering any one
5 building during the fiscal year shall not exceed \$3,750 or 3
6 per centum of the cost of the building, whichever is greater:

7 Marketing research and agricultural estimates: For re-
8 search and development relating to agricultural marketing
9 and distribution, for analyses relating to farm prices, income
10 and population, and demand for farm products, and for crop
11 and livestock estimates, \$14,095,000: *Provided*, That not
12 less than \$350,000 of the funds contained in this appropria-
13 tion shall be available to continue to gather statistics and con-
14 duct a special study on the price spread between the farmer
15 and the consumer: *Provided further*, That no part of the
16 funds herein appropriated shall be available for any expense
17 incident to ascertaining, collating, or publishing a report
18 stating the intention of farmers as to the acreage to be
19 planted in cotton, or for estimates of apple production for
20 other than the commercial crop;

21 Marketing services: For services relating to agricultural
22 marketing and distribution, for carrying out regulatory acts
23 connected therewith, and for administration and coordination
24 of payments to States, \$14,097,000, including not to ex-
25 ceed \$25,000 for employment at rates not to exceed \$50

1 per diem, except for employment in rate cases at not to
2 exceed \$100 per diem pursuant to the second sentence
3 of section 706 (a) of the Organic Act of 1944 (5 U. S. C.
4 574), as amended by section 15 of the Act of August 2,
5 1946 (5 U. S. C. 55a), in carrying out section 201 (a)
6 to 201 (d), inclusive, of title II of the Agricultural Adjust-
7 ment Act of 1938 (7 U. S. C. 1291) and section 203 (j) of
8 the Agricultural Marketing Act of 1946.

9 PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS

10 For payments to departments of agriculture, bureaus
11 and departments of markets, and similar agencies for market-
12 ing activities under section 204 (b) of the Agricultural
13 Marketing Act of 1946 (7 U. S. C. 1623 (b)), \$1,160,000.

14 SCHOOL LUNCH PROGRAM

15 For necessary expenses to carry out the provisions of
16 the National School Lunch Act (42 U. S. C. 1751-1760),
17 \$100,000,000: *Provided*, That no part of this appropriation
18 shall be used for nonfood assistance under section 5 of said
19 Act: *Provided further*, That \$55,000,000 shall be trans-
20 ferred to this appropriation from funds available under sec-
21 tion 32 of the Act of August 24, 1935, for purchase and
22 distribution of agricultural commodities and other foods pur-
23 suant to section 6 of the National School Lunch Act, such
24 additional funds to be used for the general purposes of
25 section 32.

1 FOREIGN AGRICULTURAL SERVICE

2 SALARIES AND EXPENSES

3 For necessary expenses for the Foreign Agricultural
4 Service, including carrying out title VI of the Agricultural
5 Act of 1954 (7 U. S. C. 1761-1768), and for enabling
6 the Secretary to coordinate and integrate activities of the
7 Department in connection with foreign agricultural work,
8 including not to exceed \$25,000 for representation allow-
9 ances and for expenses pursuant to section 8 of the Act
10 approved August 3, 1956 (7 U. S. C. 1766), \$4,002,300:
11 *Provided*, That not less than \$400,000 of the funds contained
12 in this appropriation shall be available to obtain statistics
13 and related facts on foreign production and full and complete
14 information on methods used by other countries to move
15 farm commodities in world trade on a competitive basis.

16 COMMODITY EXCHANGE AUTHORITY

17 SALARIES AND EXPENSES

18 For necessary expenses to carry into effect the pro-
19 visions of the Commodity Exchange Act, as amended (7
20 U. S. C. 1-17a), \$832,000.

21 SOIL BANK PROGRAMS

22 CONSERVATION RESERVE PROGRAM

23 For necessary expenses to carry out a conservation re-
24 serve program as authorized by subtitles B and C of the
25 Soil Bank Act (7 U. S. C. 1831-1837 and 1802-1814),

1 \$250,000,000: *Provided*, That not to exceed \$15,000,000
2 shall be available for administrative expenses of which not
3 less than \$12,000,000 may be transferred to the appropria-
4 tion account "Local administration, section 388, Agricultural
5 Adjustment Act of 1938": *Provided further*, That no part
6 of this appropriation shall be used to enter into contracts with
7 producers which together with contracts already entered into
8 would require payments to producers (including the cost of
9 materials and services) in excess of \$300,000,000 in any
10 calendar year, and for purposes of applying this limitation,
11 practice payments shall be chargeable to the first year of the
12 contract period: *Provided further*, That no part of these
13 funds shall be paid on any contract which is illegal under the
14 law due to the division of lands for the purpose of evading
15 limits on annual payments to participants: *Provided further*,
16 That no part of these funds shall be paid on any contract
17 where payments are made for land rental at rates in excess
18 of 20 per centum of the current value of the land rented or
19 where payments are made for conservation practices in ex-
20 cess of the average rate for comparable practices under the
21 agricultural conservation program.

22 ACREAGE RESERVE PROGRAM

23 For necessary expenses to carry out an acreage reserve
24 program in accordance with the provisions of subtitles A

1 and C of the Soil Bank Act (7 U. S. C. 1821-1824 and
2 1802-1814), \$330,000,000: *Provided*, That not to exceed
3 \$13,000,000 of the total sum provided under this head shall
4 be available for administrative expenses: *Provided further*,
5 That no part of this appropriation shall be used to formulate
6 and administer an acreage reserve program with respect to
7 the 1959 crops.

8 COMMODITY STABILIZATION SERVICE

9 ACREAGE ALLOTMENTS AND MARKETING QUOTAS

10 For necessary expenses to formulate and carry out acre-
11 age allotment and marketing quota programs pursuant to
12 provisions of title III of the Agricultural Adjustment Act of
13 1938, as amended (7 U. S. C. 1301-1393), \$39,715,000,
14 of which not more than \$6,380,100 shall be transferred to
15 the appropriation account "Administrative expenses, section
16 392, Agricultural Adjustment Act of 1938".

17 SUGAR ACT PROGRAM

18 For necessary expenses to carry into effect the provisions
19 of the Sugar Act of 1948 (7 U. S. C. 1101-1161),
20 \$71,000,000, to remain available until June 30 of the next
21 succeeding fiscal year: *Provided*, That expenditures (includ-
22 ing transfers) from this appropriation for other than pay-
23 ments to sugar producers shall not exceed \$2,124,500.

1 FEDERAL CROP INSURANCE CORPORATION

2 OPERATING AND ADMINISTRATIVE EXPENSES

3 For operating and administrative expenses, \$6,376,700.

4 RURAL ELECTRIFICATION ADMINISTRATION

5 To carry into effect the provisions of the Rural Elec-
6 trification Act of 1936, as amended (7 U. S. C. 901-924),
7 as follows:

8 LOAN AUTHORIZATIONS

9 For loans in accordance with said Act, and for carrying
10 out the provisions of section 7 thereof, to be borrowed from
11 the Secretary of the Treasury in accordance with the pro-
12 visions of section 3 (a) of said Act as follows: Rural elec-
13 trification program, \$300,000,000; and rural telephone
14 program, \$60,000,000; and additional amounts, not to
15 exceed \$25,000,000 for each program, may be borrowed
16 under the same terms and conditions to the extent that such
17 amount is required during the fiscal year 1959 under the then
18 existing conditions for the expeditious and orderly develop-
19 ment of the rural electrification program and rural telephone
20 program.

21 SALARIES AND EXPENSES

22 For administrative expenses, including not to exceed \$500
23 for financial and credit reports, and not to exceed \$150,000

1 for employment pursuant to the second sentence of section
2 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as
3 amended by section 15 of the Act of August 2, 1946 (5
4 U. S. C. 55a), \$9,019,000.

5 FARMERS' HOME ADMINISTRATION

6 To carry into effect the provisions of titles I, II, and
7 the related provisions of title IV of the Bankhead-Jones
8 Farm Tenant Act, as amended (7 U. S. C. 1000-1031);
9 the Farmers' Home Administration Act of 1946 (7 U. S. C.
10 1001, note; 31 U. S. C. 82h; 12 U. S. C. 371; 35 D. C.
11 Code 535; 60 Stat. 1062-1080); the Act of July 30, 1946
12 (40 U. S. C. 436-439); the Act of August 28, 1937, as
13 amended (16 U. S. C. 590r-590x-3), for the develop-
14 ment of facilities for water storage and utilization in the
15 arid and semiarid areas of the United States; the provisions
16 of title V of the Housing Act of 1949, as amended (42
17 U. S. C. 1471-1483), relating to financial assistance for
18 farm housing; the Rural Rehabilitation Corporation Trust
19 Liquidation Act, approved May 3, 1950 (40 U. S. C.
20 440-444); the items "Loans to farmers, 1948 flood damage"
21 in the Act of June 25, 1948 (62 Stat. 1038), and "Loans
22 to farmers, property damage" in the Act of May 24, 1949
23 (63 Stat. 82); the collecting and servicing of credit sales
24 and development accounts in water conservation and utili-
25 zation projects (53 Stat. 685, 719), as amended and sup-

1 plemented (16 U. S. C. 590y, z—1 and z—10) ; and the
2 Act to direct the Secretary of Agriculture to convey certain
3 mineral interests, approved September 6, 1950 (7 U. S. C.
4 1033-1039), as follows:

5 LOAN AUTHORIZATIONS

6 For loans (including payments in lieu of taxes and taxes
7 under section 50 of the Bankhead-Jones Farm Tenant Act,
8 as amended, and advances incident to the acquisition and
9 preservation of security of obligations under the foregoing
10 several authorities, except that such advances under title V
11 of the Housing Act of 1949, as amended, shall be made
12 from funds obtained under section 511 of that Act, as
13 amended) : Title I and section 43 of title IV of the Bank-
14 head-Jones Farm Tenant Act, as amended, \$24,000,000,
15 of which not to exceed \$2,500,000 may be distributed to
16 States and Territories without regard to farm population
17 and prevalence of tenancy, in addition to the amount other-
18 wise distributed thereto, for loans in reclamation projects and
19 to entrymen on unpatented public land; title II of the Bank-
20 head-Jones Farm Tenant Act, as amended, \$180,000,000;
21 the Act of August 28, 1937, as amended, \$5,500,000:
22 *Provided*, That not to exceed the foregoing several amounts
23 shall be borrowed in one account from the Secretary of the
24 Treasury in accordance with the provisions set forth under
25 this head in the Department of Agriculture Appropriation

1 Act, 1952: *Provided further*, That an additional amount,
2 not to exceed \$20,000,000, may be borrowed under the same
3 terms and conditions to the extent that such amount is
4 required during fiscal year 1959 under the then existing
5 conditions for the expeditious and orderly conduct of the
6 loan program under title II of the Bankhead-Jones Farm
7 Tenant Act, as amended.

8 SALARIES AND EXPENSES

9 For making, servicing, and collecting loans and insured
10 mortgages, the servicing and collecting of loans made under
11 prior authority, the liquidation of assets transferred to
12 Farmers' Home Administration, and other administrative
13 expenses, \$29,089,500, together with a transfer of not to
14 exceed \$1,000,000 of the fees and administrative expense
15 charges made available by subsections (d) and (e) of
16 section 12 of the Bankhead-Jones Farm Tenant Act, as
17 amended (7 U. S. C. 1005 (b)), and section 10 (c) of
18 the Act of August 28, 1937, as amended.

19 OFFICE OF THE GENERAL COUNSEL

20 SALARIES AND EXPENSES

21 For necessary expenses, including payment of fees or
22 dues for the use of law libraries by attorneys in the field
23 service, \$2,943,000.

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For expenses of the Office of the Secretary of Agriculture; expenses of the National Agricultural Advisory Commission; stationery, supplies, materials, and equipment; freight, express, and drayage charges; advertising of bids, communication service, postage, washing towels, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture; \$2,668,895: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedure Act (5 U. S. C. 1001).

OFFICE OF INFORMATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, \$1,359,265, of which total appropriation not to exceed \$537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an

1 equal proportion of four-fifths of which shall be delivered
2 to or sent out under the addressed franks furnished by the
3 Senators, Representatives, and Delegates in Congress, as
4 they shall direct (7 U. S. C. 417) and not less than two
5 hundred thirty thousand eight hundred and fifty copies for
6 the use of the Senate and House of Representatives of part
7 2 of the annual report of the Secretary (known as the Year-
8 book of Agriculture) as authorized by section 73 of the Act
9 of January 12, 1895 (44 U. S. C. 241) : *Provided*, That
10 in the preparation of motion pictures or exhibits by the
11 Department, not exceeding a total of \$10,000 may be used
12 for employment pursuant to the second sentence of section
13 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as
14 amended by section 15 of the Act of August 2, 1946 (5
15 U. S. C. 55a).

16 LIBRARY

17 SALARIES AND EXPENSES

18 For necessary expenses, including dues for library mem-
19 bership in societies or associations which issue publications
20 to members only or at a price to members lower than to
21 subscribers who are not members, \$772,000.

22 TITLE II—CORPORATIONS

23 The following corporations and agencies are hereby
24 authorized to make such expenditures, within the limits of
25 funds and borrowing authority available to each such cor-

poration or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year 1959 for such corporation or agency, except as hereinafter provided:

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed \$2,000,000 of administrative and operating expenses may be paid from premium income.

COMMODITY CREDIT CORPORATION

RESTORATION OF CAPITAL IMPAIRMENT

To restore the capital impairment of the Commodity Credit Corporation determined by the appraisal of June 30, 1957, pursuant to section 1 of the Act of March 8, 1938, as amended (15 U. S. C. 713a-1), \$1,760,399,886.

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed \$35,398,000 shall be available for administrative expenses of the Corporation: *Provided further*, That \$1,000,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's

1 charter: *Provided further*, That not less than 7 per centum
2 of this authorization shall be placed in reserve to be appor-
3 tioned pursuant to section 3679 of the Revised Statutes,
4 as amended, for use only in such amounts and at such time
5 as may become necessary to carry out program operations:
6 *Provided further*, That all necessary expenses (including
7 legal and special services performed on a contract or fee
8 basis, but not including other personal services) in connec-
9 tion with the acquisition, operation, maintenance, improve-
10 ment, or disposition of any real or personal property be-
11 longing to the Corporation or in which it has an interest,
12 including expenses of collections of pledged collateral, shall
13 be considered as nonadministrative expenses for the purposes
14 hereof.

15 TITLE III—RELATED AGENCIES

16 FARM CREDIT ADMINISTRATION

17 Not to exceed \$2,125,000 (from assessments collected
18 from farm credit agencies) shall be obligated during the
19 current fiscal year for administrative expenses.

20 FEDERAL FARM MORTGAGE CORPORATION

21 The Federal Farm Mortgage Corporation is authorized
22 to make such expenditures, within available funds and in
23 accordance with law, as may be necessary to liquidate its
24 assets: *Provided*, That funds realized from the liquidation
25 of assets which are determined by the Board of Directors

1 to be in excess of the requirements for expenses of liquida-
2 tion shall be declared as dividends which shall be paid into
3 the general fund of the Treasury.

4 FEDERAL INTERMEDIATE CREDIT BANKS

5 Not to exceed \$1,693,000 (to be computed on an
6 accrual basis) of the funds of the banks shall be available
7 for administrative expenses for the six months ending De-
8 cember 31, 1958, including the purchase of not to exceed
9 one passenger motor vehicle for replacement only and serv-
10 ices performed for the banks by other Government agencies
11 (except services and facilities furnished and examinations
12 made by the Farm Credit Administration, and services per-
13 formed by any Federal Reserve bank and by the United
14 States Treasury in connection with the financial transactions
15 of the banks); and said total sum shall be exclusive of
16 interest expense, legal and special services performed on a
17 contract or fee basis, and expenses in connection with the
18 acquisition, operation, maintenance, improvement, protection,
19 or disposition of real or personal property belonging to the
20 banks or in which they have an interest.

21 TITLE IV—GENERAL PROVISIONS

22 SEC. 401. Within the unit limit of cost fixed by law,
23 appropriations and authorizations made for the Department
24 under this Act shall be available for the purchase, in addi-
25 tion to those specifically provided for, of not to exceed

1 466 passenger motor vehicles of which 462 shall be for re-
2 placement only, and for the hire of such vehicles.

3 SEC. 402. Provisions of law prohibiting or restricting
4 the employment of aliens shall not apply to employment
5 under the appropriation for the Foreign Agricultural Service.

6 SEC. 403. Funds available to the Department of Agri-
7 culture shall be available for uniforms or allowances therefor
8 as authorized by the Act of September 1, 1954, as amended
9 (5 U. S. C. 2131).

10 SEC. 404. No part of the funds appropriated by this
11 Act shall be used for the payment of any officer or em-
12 ployee of the Department who, as such officer or employee,
13 or on behalf of the Department or any division, commission,
14 or bureau thereof, issues, or causes to be issued, any predic-
15 tion, oral or written, or forecast, except as to damage
16 threatened or caused by insects and pests, with respect to
17 future prices of cotton or the trend of same.

18 SEC. 405. Except to provide materials required in or
19 incident to research or experimental work where no suitable
20 domestic product is available, no part of the funds appro-
21 priated by this Act shall be expended in the purchase of
22 twine manufactured from commodities or materials produced
23 outside of the United States.

24 SEC. 406. Not less than \$1,500,000 of the appropria-
25 tions of the Department for research and service work au-

1 thorized by the Acts of August 14, 1946, and July 28, 1954
2 (7 U. S. C. 427, 1621-1629), shall be available for con-
3 tracting in accordance with said Acts.

4 SEC. 407. No part of any appropriation contained in this
5 Act or of the funds available for expenditure by any
6 corporation or agency included in this Act shall be used for
7 publicity or propaganda purposes to support or defeat legis-
8 lation pending before the Congress.

 This Act may be cited as the "Department of Agricul-
ture and Farm Credit Administration Appropriation Act,
1959".

85TH CONGRESS
2^D SESSION

H. R. 11767

[Report No. 1584]

A BILL

Making appropriations for the Department of
Agriculture and Farm Credit Administra-
tion for the fiscal year ending June 30, 1959,
and for other purposes.

By Mr. WITTEN

MARCH 28, 1958

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued April 2, 1958
For actions of April 1, 1958
85th-2d, No. 53

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HIGHLIGHTS: House passed: Agricultural appropriation bill. General government matters appropriation bill. Conferees agreed to file report on road authorization bill. House received President's request for mutual security appropriations. Senate committee reported bill for immediate appropriations to accelerate procurement programs. Sen. Proxmire charged Secretary with favoring corporations instead of dairy farmers.

HOUSE

1. APPROPRIATIONS. Passed without amendment H. R. 11767, the agricultural appropriation bill for 1959. pp. 5321-69

Rejected amendments by Rep. Knutson to increase the school lunch program from \$100,000,000 to \$145,000,000 (pp. 5361-65), and Rep. Reuss to exempt wildlife conservation practices under the conservation reserve program from the provision limiting payments under the program to 20% of the value of the land (pp. 5365-66).

Passed with amendment H. R. 10589, the general Government matters appropriation bill for 1959. pp. 5313-14

Received from the President appropriations estimate of \$3,942,092,500 in 1959 for the mutual security program (H. Doc. 363); to Appropriations Committee. p. 5388

2. **ROADS.** The conferees were granted permission until midnight Tues., Apr. 1, to file a report on H. R. 9821, the road authorization bill. pp. 5312-13
The "Daily Digest" states that the conferees agreed to file a report which includes provisions as follows:
"... authorize an additional \$5 million for forest highway systems in fiscal 1959, and \$33 million for each of the fiscal years 1960 and 1961... authorize an additional \$5 million for forest development roads and trails for fiscal 1959, and \$30 million for each of the fiscal year 1960 and 1961 ... require a study of needed improvements on the forest highway system and a report thereon to Congress on or before January 1, 1960." pp. D287-88
3. **HOUSING.** Both Houses received from the President his message approving S. 3418, to stimulate housing construction. The message criticized certain provisions of the bill and requested Congress "to enact legislation providing interest rates for VA-guaranteed and direct loans sufficiently flexible to assure private participation, and eliminating the par-purchase requirements on Government mortgage purchases, so that the taxpayers will not be called upon to do what private investors should, can, and will do -- so that in this field our free enterprise system may have the fullest opportunity to work." (S. Doc. 86, pp. 5297-98, 5384-85)
4. **WATERSHEDS.** Received from the Agriculture Committee a letter approving work plans for the following watershed projects: Zuber Draw, N. Mex., Cowaselon Creek, N. Y.; Little Deep Fork Creek, Okla., and Mill Creek, Wisc. The work plans were referred to the Appropriations Committee. p. 5369
5. **FLOOD CONTROL.** Agreed to the conference report on S. 497, the rivers and harbors and flood control authorization bill. pp. 5314-16
6. **PRICE SUPPORTS.** Rep. Meader inserted his letters to the Secretary and the President requesting that reconsideration be given "to the order reducing dairy price supports and modify it." pp. 5385-86
7. **FARM PRICES.** Rep. Hill inserted a release from this Department indicating that the index of prices received by farmers increased 4 percent for the month ending in mid-March. He also inserted figures showing the increase in farmers' net income for certain Mountain States in 1957 over 1956. p. 5312
8. **PLYWOOD IMPORTS.** Rep. Mack, and others, contended that the import of Japanese plywood was having an adverse effect on the American plywood industry. pp. 5370-80
9. **ECONOMIC SITUATION.** Rep. O'Neill urged that the U. S. accelerate public works programs, including the road and water pollution programs, to provide additional employment opportunities. pp. 5380-81
10. **MONOPOLIES.** Rep. Patman spoke in favor of legislation for stricter regulation of monopolistic practices in industry, and referred to a recent statement of FCC Commissioner Anderson urging the frozen food industry "to discontinue their alleged practice of granting discriminatory prices and thereby avert competitive disaster, monopolies, and consequent rigid Government regulation." pp. 5381-82

Nationality Act, Joerg Baxter may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

SEC. 4. Notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Heinz Kohn may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

SEC. 5. Notwithstanding the provision of section 212 (a) (1) of the Immigration and Nationality Act, Jacob Ype Harms may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act.

SEC. 6. The exemptions provided for in this act shall apply only to grounds for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this act.

With the following committee amendments:

On page 2, after line 7, insert a new section 3 to read as follows:

"SEC. 3. Notwithstanding the provision of section 212 (a) (1) of the Immigration and Nationality Act, Norvail Arnold Olson may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided*, That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said act."

On page 2, line 8, strike out "SEC. 3" and substitute "SEC. 4."

On page 2, after line 15, insert a new section 5 to read as follows:

"SEC. 5. Notwithstanding the provision of section 212 (a) (19) of the Immigration and Nationality Act, Herman Shin Gee Chiu may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act."

On page 2, line 16, strike out "SEC. 4." and substitute "SEC. 6."

On page 2, line 21, strike out "SEC. 5." and substitute "SEC. 7."

On page 3, after line 3, insert a new section 8 to read as follows:

"SEC. 8. Notwithstanding the provision of section 212 (a) (31) of the Immigration and Nationality Act, Emilia Montijo de Mendez, nee Montijo-Zabalza, may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act."

On page 3, line 4, strike out "SEC. 6" and substitute "SEC. 9."

The committee amendments were agreed to.

Mr. WALTER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: On page 1, strike out section 1 and renumber the sections following.

The amendment was agreed to.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION ACT, 1959

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11767) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, the time to be equally divided and controlled by the gentleman from Minnesota [Mr. ANDERSEN], and myself.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 11767, with Mr. BONNER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill, making appropriations for the Department of Agriculture, was reported out last Friday. We have written a rather lengthy report, and I trust a rather thorough report.

In our consideration of this bill we have been pleased this year to have on our committee the gentleman from New York [Mr. SANTANGELO]. He has rendered excellent service, has shown great interest in the operations of the Department, and has contributed greatly in a number of fields where his experience has been wide and where his knowledge has been helpful to the committee. I seldom take time to comment on the membership of our committee, but I do not believe that within the Halls of the Congress you could find any Members from both sides of the aisle who are more interested in dealing with the Department of Agriculture, in meeting their needs, and at the same time interested in protecting the cost of operation.

This bill provides direct annual appropriations of \$1,456,588,653 for the regular activities of the Department—title I of bill. This amount is \$152,390,195 less than funds provided for these activities for the fiscal year 1958 and is a reduction of \$103,900,000 in the budget estimate.

Also included in the bill is the sum of \$1,760,399,886 to restore capital impairment of the Commodity Credit Corporation through June 30, 1957, under price support and related activities. It should be noted that only \$739,606,640 of this amount represents losses on commodities handled. The balance, over \$1 billion, is for storage and handling, transporta-

tion, administration, and interest costs, all of which were paid to other than agricultural producers.

The bill also includes loan authorizations for the Rural Electrification Administration and the Farmers Home Administration of \$569,500,000, which compares with \$448,500,000 available for the current fiscal year. These amounts are not appropriations—they are authorizations to borrow from the Treasury sufficient funds to meet the loan programs of these agencies. These loans are repaid within a period of 35 years with interest. Repayments for prior-year loans are increasing to the point where they will soon equal the amount of new loans made available each year.

THE FARM PICTURE

Since 1952, farm income from the farm, including increased Federal payments, has gone down. Farm costs have gone up. The cost of the farm program to the Treasury has increased. The take of the middleman has increased. Consumer prices have gone up. Commodity Credit Corporation holdings, despite grants, donations, sales for foreign currencies, and cash sales, have increased from \$2.5 billion in January, 1953 to \$7.2 billion in January, 1958.

Employees in the Department have increased more than 17,000 since 1952, from 67,406 as of December 31, 1952, to 85,107 as of December 31, 1957. The cost of operating the regular programs of the Department, including Forest Service appropriations not included in this bill, has increased from \$796 million in fiscal year 1952 to a total of \$1,729 million for fiscal year 1958.

During the period 1952 through 1957, price supports on many agricultural commodities were reduced an average of 20 percent. The figures set forth below show that the economic status of the farmer has been lowered during this period in direct ratio to the reduction in price-support levels. These figures are taken from official Department of Agriculture statistical reports which will be found on pages 54 through 71 of part 1 of the published hearings on the 1959 budget for the Department.

PRICES RECEIVED AND PAID BY FARMERS

Prices received by farmers at the marketplace have gone down to a very low level since 1952. Farm production expenses continue to increase. In terms of prices received and paid by farmers during the period 1910-14, the period generally conceded to be one of economic balance, the change in the farmers' position may be summarized as follows:

[Index numbers]			
	Prices received	Prices paid	Parity ratio
1952.....	288	287	100
1953.....	258	279	92
1954.....	249	281	89
1955.....	236	281	84
1956.....	235	285	82
1957.....	242	296	82

NET INCOME FROM FARMING

Net income from farming is at the lowest point in 15 years, despite large increases in Federal payments to farm-

ers by the Department of Agriculture. A comparison between 1952 and 1957 reflects the following picture:

[In billions]

	1952	1957	Comparison
Cash receipts from marketings.....	\$32.6	\$30.0	-\$2.6
Federal payments to farmers.....	.3	1.0	+.7
Noncash income to farmers.....	3.9	3.4	-.5
Gross income from farming.....	36.8	34.4	-2.4
Production expenses.....	-22.5	-22.9	+.4
Net income from farming.....	14.3	11.5	-2.8

CONSUMER PRICES—FARMER'S SHARE OF FOOD DOLLAR

At the same time that the farmer's income has gone down so drastically, the take of the middleman between the farmer and the consumer has continued to increase and the consumer has received no cash benefit. Retail prices to the consumer have not declined but have increased slightly over the period. The farmer's share of the consumer's food dollar has decreased steadily since 1952. The changing picture since 1952 is as follows:

	Retail food prices (1947-49=100)	Farmers' share of food dollar
		Percent
1952.....	114.6	47
1953.....	112.8	44
1954.....	112.6	43
1955.....	110.9	41
1956.....	111.7	40
1957.....	115.4	40

FARM DEBT AND INVESTMENT

Farm debt is at an alltime high. The amount of equipment and other investment required to operate a farm also continues to increase each year, and is now the highest in history. A summary of these factors since 1952 follows:

	Farm debt (in billions)	Investment per farm
1952.....	\$14.6	\$23,188
1953.....	16.1	22,928
1954.....	17.2	22,553
1955.....	17.8	23,786
1956.....	18.9	25,075
1957.....	19.5	27,000

PER CAPITA INCOME

The only agricultural statistic which shows up more favorably since 1952 is "income per person on farms from all sources." This has increased from \$953 in 1952 to \$993 in 1957. The reason for this increase with declining farm income is that the farmer has looked more and more to off-farm employment. Even though off-farm income is higher in 1957 than in 1952, the figure is still very low as compared to the income of other segments of the population, which averaged about \$1,750 last year. This would indicate that, in addition to having his income from the farm decrease steadily, the farm worker is paid very low rates for his off-farm employment.

It is significant to note, however, that per capita income earned on the farm has decreased from \$702 in 1952 to \$684 in 1957.

ELIMINATION OF SMALL FARMER NO ANSWER

A job in town is no answer to the problems of the low-income farmer, since the record shows that he has averaged only about \$300 per year from such employment. Yet the principal efforts of the Department during the past few years have been directed toward urging farm families to obtain off-farm employment and to move off their small farms.

To leave the farm for town under present conditions would only swell the unemployment rolls now estimated at over 5 million people. As a matter of fact, it may soon be necessary to start thinking in terms of moving people back to the farms where they can at least find food and shelter.

Further, moving the small farmers off their farms will have very little effect on the level of agricultural production. The small farms contribute very little if any to surpluses. According to the record, small farms, which represent 56 percent of the farms of the Nation and 20 percent of the acreage, produce only about 9 percent of farm commodities which go into commercial channels.

Therefore—if all small farmers were removed from their farms, and their land were allowed to remain idle, the maximum possible reduction of surpluses would be 9 percent. It is probable, however, that land released from small farms would be added to larger producing units which, being more efficient, would increase production on that land and thereby further increase surpluses.

GOVERNMENT ACTION TO COMBAT BUSINESS RECESSION

It is interesting to note that current efforts to combat the business recession are taking the form of additional defense and public works expenditures. It is disappointing to note that no proposals are being made to bolster farm income at the market place.

A review of the economic history of the United States will show that every economic recession in this country has started on the farm. Every recession has been preceded by a period of reduced income to the agricultural segment of our population. Since agriculture is the principal segment of our economy which generates new wealth, it is inevitable that a prolonged depression in agriculture will eventually reflect itself in more aggravated economic distress throughout the rest of the economy.

The figures above showing the substantial decrease in level of farm prices and farm income since 1952, with its disastrous effect on farm purchasing power, demonstrate a major reason why the Nation is experiencing a business recession at the present time. There can be no doubt that reduced income of the farm population now unable to maintain its normal purchases is one of the major reasons that there are an estimated 5 million unemployed workers walking the streets of our major cities today.

In the opinion of the committee, pump priming through increased military expenditures is only temporary relief at best. The only action which would have long-range benefits would be to bolster farm income at the market

place through price support levels that will assure the farmer a fair return for what he produces. Only by regaining a proper balance between agriculture, industry, and labor can we regain a sound economy. It is only through additional income for the producers of raw materials, the foundation of the economic ladder, that our economy can be restored on a basis which will support the rest of our economy at the prosperous level which this country has experienced for a number of years.

This is not a partisan matter. It is a matter which affects every citizen of the United States—and of the entire world. We must preserve our agricultural economy, if we are to protect the economic health of every part of our society.

OPERATIONS OF COMMODITY CREDIT CORPORATION

The Commodity Credit Corporation is a \$14 billion United States Government-owned corporation handling billions of dollars worth of United States investments. Perhaps no group anywhere, not even the commissioners of our regulatory agencies, is subject to as much pressure as are the officers and other people in the Department who run this vast operation. Their decisions involve billions of dollars; and each decision can easily provide hundreds of millions of dollars of profits to private interests, and even determine to which private interests such profits would go, with detriment, many times, to other private-interest competitors. Many millions of dollars in losses to the Government can follow decisions, which are charged up to the farm programs.

Certainly, the officers of this huge Corporation should be ever aware that as such officers they have a responsibility to protect the people's investment of billions of dollars in the assets of the Corporation.

Our hearings indicate that in recent years such responsibility, in numerous instances, seems to have been overlooked to a considerable degree. Major administrative decisions appear to have been made prior to and sometimes without a thorough and objective opinion from the General Counsel. Copies of several legal opinions, submitted to the committee, show little objectivity as to the law, but appear to have been written to support or underwrite desires or even prior decisions. In at least one instance, such an opinion amounts to little more than an expression of opinion that the Corporation could get by with such action as is contemplated.

These recommendations are made because of the magnitude and importance of this Corporation and are believed sound. They are not to be taken as a reflection on any individual, but rather on the system.

NEED FOR FORMAL HEARINGS

After hearings on the operations of this Corporation, the Committee is convinced that the Department should provide for formal hearings, with notice given in advance, on any major action or change of policy being considered by the officers of the Corporation. Such hearings should be printed and released to the

public, together with copies of any orders issued and reasons therefor.

For the protection of the officers and other top level employees, such officers and employees should be required to report any contact or efforts by any firm or individual to influence them; and such report should be made a matter of public record.

NECESSITY FOR CONTINUING THE PRESENT EXPORT SALES PROGRAM

The charter of the CCC provides, and has always provided, for sale of all Corporation-owned commodities in world trade at competitive prices. For years the Department did not use this authority, but offered such commodities at a fixed price, which resulted in holding an umbrella over world markets and a greatly increased world production. The amount of increase in foreign production during this period when the Department held United States commodities off world markets, as shown by an investigation of this Committee, is staggering.

At the instance of this Committee, in 1954 the Department finally offered a limited number of commodities at competitive prices in world markets, selling them for approximately 485 million American dollars. Subsequent to that, under urging by the Committee the Corporation finally, in 1955, offered all commodities held by it, except cotton, in world trade at competitive prices through regular trade channels. This action came after the Committee, in its report, had provided special funds for a sales manager and a sale program, pointing out that the Corporation was derelict in having no real sales policy and no sales manager. The resulting sales for dollars reached the high level of \$2.2 billion for the fiscal year 1955.

In January 1956, under continuing pressures from the committee, the Department, under its general authority, finally offered 1 million bales of cotton in world trade at competitive prices. Officials expressed the hope that they might sell this million bales within 6 months. Actually, the cotton was sold for dollars in less than 2 months. Thereafter, for a period of months, Department officials kept promising to make further offerings. Holdings of the CCC, including cotton under loan, had reached 13.4 million bales on December 31, 1955. After three successive dates on which officials of the Department had promised to sell but failed to do so, the Congress passed the Export Sales Act of 1956, requiring the Department to use its existing authority to sell cotton and other commodities competitively, in order to regain and retain world markets. In such act, Congress directed that United States supplies, surplus to domestic demand, be made available to the buyers of the world on a competitive basis, as authorized in the charter of the Commodity Credit Corporation. The new policy was accepted abroad and, in the judgment of the committee, gave confidence to users of American commodities that the United States of America would continue to produce cotton and other commodities, and would make Government stocks available in world markets on a competitive basis.

In fiscal year 1956, exports for dollars totalled \$2.1 billion, including 1,177,842 bales of cotton. In fiscal year 1957, exports for dollars reached a total of \$2.8 billion, including 7,764,962 bales of cotton. These exports for dollars were under the competitive sales program, always authorized but not used until insisted upon by this committee. These commodities moved through regular trade channels.

PROPOSED SUBSTITUTE

The committee has been disturbed during the present hearings to find that the Department is contemplating the elimination of this competitive sales program and the substitution of an export subsidy arrangement, whereby the stocks of CCC, assets of the Corporation, would be transferred to American exporters who exported commodities from their own stocks.

From the testimony, it is not clear that authority exists for thus disposing of CCC assets, with the exception of wheat, where the CCC has additional authority under the International Wheat Agreement.

This action is being planned, notwithstanding the proven value of the competitive export sales program, and notwithstanding the requirements of the Agricultural Act of 1956.

The Department urges this change for cotton, because of a shortage of cotton for export needs. Yet the hearings show that 2 million bales of CCC cotton heretofore sold and committed to the export market have not been shipped out of the country. In addition the CCC has on hand now more than 1.5 million bales and holds loans on more than 3 million bales, subject to call by August 1, 1958. This makes a total of 6.5 million bales now in this country which could be used to meet export market needs.

These facts raise questions as to whether the need for an additional system for exports is as acute as has been claimed. The Department testified that a considerable part of this cotton is of inferior grade and quality, for which there is little demand. It follows, however, if the Corporation does not sell such cotton during a period of relatively short supply, it is doubtful if it will ever sell.

The committee points out that, in order to preserve the full authority of the Corporation to support farm prices, and in order to protect its capital structure, the Congress is now required to restore to such Corporation the difference between what it has invested and what such commodities sell for. But under the export subsidy, with payment in kind proposed, the Congress would be required to appropriate sums equal to the full amount such Corporation has invested in commodities transferred to private firms or individuals.

These facts, when taken with the obligation of the officers of the Corporation to protect its assets and its capital impairment, and thereby hold down appropriations from the Treasury, raise further doubts as to the wisdom of substituting this proposal for the proven competitive sales program.

The committee is of the opinion that such a program, as a substitute, in no way compares with the soundness of the present competitive sales program. Such a proposal if substituted for the competitive program, could do untold damage to the confidence we have gained with the foreign buyers and users of American products and would lead them, once again, to believe that there was no consistency in United States policies on sales, and that they would have to expect changes from year to year.

The committee would point out that other countries sell what they produce and don't need at what the market will bring. Under such program, which we have effectively used in recent years, the buyers have the opportunity to support the world price by their bids, whereas under any export subsidy program our Government would take the responsibility for fixing the price. This would create dangers of once again holding an umbrella over world markets. Further, the designation of the differential as a subsidy would be the basis of a charge by our competitors that we were dumping.

The committee also would point out that any fixing of an export subsidy, without a continuance of present competitive sales from CCC stocks, would lend itself to all kinds of pressures from international operators and domestic mills. Such a subsidy could be reduced to the point of creating a virtual embargo on exports, or it could be increased to give a real bonanza to exporters. In the absence of competitive sales by CCC, it could enable, or at least provide, an opportunity for the trade, particularly the international firms, to manipulate both domestic and world prices, and could lead to an umbrella over foreign production and expansion. It could easily be to the interest of such international firms to raise world prices by holding United States commodities off world markets, thereby enabling themselves to make profits on their holdings in other countries, to the detriment of American producers.

The committee would point out that section 201 (a) of the Agricultural Adjustment Act of 1956, contains the following directive:

The Commodity Credit Corporation shall, as rapidly as possible, consistent with its existing authority, the operation of the price-support program, and orderly liquidation, dispose of all stocks of agricultural commodities held by it.

That directive is clear and the substitution of any program for competitive sales which did less than that called for would not be in line with the intent of the act and would, therefore, be illegal.

The committee would point out, based on many years' experience, that if any such program of export subsidy were substituted, it would risk domination and control and limitation of export sales by the State Department, which frequently reflects the pressures from other governments.

The committee is also of the opinion that any such program might enable the trade to withhold offerings in world trade until they forced the Department to increase such subsidy, paid to the

trade, to such levels as the trade might demand. This would lead to increased cost to the Government and increased profits to certain members of the trade. If such actions were taken it would constitute an invitation for expanded foreign production.

On the other hand, as has been pointed out, such export subsidy could be reduced to such a low level by the Department as to constitute a virtual embargo on exports, thus depriving United States producers of their fair share of world markets.

Also, it is pointed out that any such export subsidy, if fixed or firm, would again constitute an umbrella over production which would enable producers in foreign countries, numerous Americans among them, to hold their offering prices just under the United States offering price and thereby obtain the sales.

Because of these weaknesses and other dangers inherent in the export subsidy program, it becomes even more essential that we retain the competitive sales program as protection. In the opinion of the committee, any new export subsidy or other means of export should not be substituted for the policy of offering CCC commodities for export on a competitive bid basis through regular trade channels.

Whether the Department should work out its proposed export program with payment in kind, if determined to be legal, as an additional means to be used only so long as the CCC sales program on a competitive bid basis is being used, has not fully been determined by the committee. We are convinced, however, that such a program, without the present competitive sales program by CCC to protect against the dangers inherent in the export subsidy payment in kind approach, could lead to disaster.

The committee therefore insists that it is essential for the protection of the assets of the Corporation, for its discharge of its responsibility under the law, and for the protection of the American farmer's fair share of world markets, in order to give assurance to foreign users of American commodities that the United States of America will continue to make its commodities available on world markets at truly competitive prices, as authorized and directed by law, that the sales program on a competitive-bid basis—with exports through normal trade channels—be continued, whatever additional programs may be used to complement such program.

In view of congressional interest in a consistent sales policy, the sales manager is directed to report monthly to the Speaker of the House, and to the appropriate committees of the House and Senate, the policies, activities, and developments, including all sales and disposals, with regard to each commodity which the Corporation owns or which it is directed to support.

RECLASSING

In connection with the export-sales program on cotton, the committee urged the Department to sample and reclass such cotton prior to offering, in view of the fact that some of this cotton had been held for 6 or 7 years. The Department insisted it could not sample and

reclassify this cotton in advance of sales. The records show, however, that immediately upon selling this cotton to American firms for export, many of them being international firms, the Department did then reclassify the cotton and made rebates in the sum of \$135,677.-036 to these firms. The names of the larger purchasers appear in the hearings on pages 1676-1678 of volume 3.

According to information of the committee, many of these firms which purchased this cotton and received rebates by virtue of a reclassification downward sold this cotton in world markets at classifications or grades equivalent to or in excess of the original classification. Whether the same situation exists with regard to other commodities has not been explored by the committee.

In the interest of retaining confidence in the classing service of the Department, and in the integrity of the operations of the Commodity Credit Corporation, any reclassing which should be in order in the future should be made in advance of sale so as to avoid the payment of rebates.

Such a situation as has existed raises serious questions as to whether the assets of the Corporation are being protected fully, and lends itself to other serious questions. Any recurrence should be prevented.

CATALOG NOW

To make cotton now under loan and in CCC hands available for export at the earliest possible date, the Department is directed to catalogue, prior to July 31, 1958, all loan cotton now in its hands.

EXTENSION OF REQUIREMENT TO EXPORT

Under the Agricultural Act of 1956, providing for substitution, the purchaser's made bond in the amount of 30 percent of the value, to insure export of such cotton within a definite period after purchase. Department witnesses testified that consideration was being given to an extension of time under such bond.

In view of world needs for American cotton, and our short supply, as testified to by the Department in supporting its proposed program of payment of an export subsidy in kind, this extension so far as our hearings are concerned appears to be of doubtful benefit to the Government, though it might be of benefit to the trade.

It is to be noted that such extension of time in which buyers could export might raise serious questions as to whether future commitments and bonds would mean anything. It is the committee's belief that, should such extension be granted, the Commodity Credit Corporation should demand a premium per bale, or a fair share of any profits made, or some other proper consideration for such extension, if the integrity of the competitive sales program is to be retained.

ADDITIONAL FACILITIES

A number of specific proposals for the establishment of new facilities to meet the needs of various parts of the country were brought to the committee's attention by Members of Congress and others. Attention is directed to part 5 of this

year's hearings for further details on each proposal.

The committee recognizes that many of these proposals would make a valuable contribution to the work of the Department and those cooperating in its programs. If it were possible to do so, the committee would recommend funds in this bill for many of these facilities. Budgetary restrictions, and the fact that the regular operating expenses of the Department have increased from \$796 million in fiscal year 1952 to \$1,729 million in fiscal year 1958, has limited what the committee feels it can recommend in this bill.

Also, a number of instances of inadequate housing and examples of inadequate facilities for agricultural activities which have been centralized have been called to the attention of the committee. One such example is at Amarillo, Tex.

In view of present Federal efforts to embark upon an expanded program of public works, it may be desirable to undertake some of these projects. The secretary is urged to review these various proposals for possible presentation to the Bureau of the Budget and the Congress. In the opinion of the members of the committee, the priority of such projects is as high, or even higher, than many of those now being undertaken.

It is pointed out, too, that the Department has authority to move funds from finished projects to new work and to transfer up to 7 percent among appropriations. It is possible that the more urgent of these needs can be met through this means, within funds presently available.

AGRICULTURAL RESEARCH SERVICE

Research: The committee recommends \$58,444,890 for 1959, a decrease of \$2,300,000 in the budget estimate and an increase of \$650,000 over the appropriation for the current fiscal year. In view of the elimination of certain non-recurring items provided in the 1958 appropriations, however, the actual increase is \$2,300,000, all of which is provided to expand research on utilization of agricultural commodities.

Since 1952 the research funds for the Department under this appropriation have been increased over 77 percent. This rapid increase has created problems in securing well-trained scientists and expanding facilities on an efficient and orderly basis. In order to assure the maximum results from the research activities of the Department, during the next year, the Committee has held the increase for utilization research to a reasonable level, consistent with the ability to recruit trained personnel and expand facilities on a sound basis. It does not question the need for the utilization research programs conducted by the Department and it recognizes the many valuable contributions which have been made by such programs. Its action is based on the need to be sure that they are expanded on a sound and efficient basis.

It would appear to be unsound to provide for utilization research on new crops until the value of the end product is known. The Committee approves research on the value of linoleic acid. However, expanded work on safflower oil

to produce linoleic acid does not seem warranted until a determination has been made as to the value of such an acid. It is the opinion of the members of the Committee that research in new sources of oils would only aggravate the surplus situation facing the many domestic oils now in use.

The 1959 budget proposed an increase of over \$10 million for utilization research, \$4,600,000 by direct appropriation, \$805,000 by transfer of funds from various production research activities, and approximately \$5 million through the use of Public Law 480 funds for utilization research in foreign countries. The Committee is in agreement with the use of foreign currencies for utilization research abroad. In addition it has provided in the amount recommended for this appropriation an increase, of \$2,300,000 for utilization research. This will make available a total of over \$20 million for utilization research during the coming year, including the proposed use of Public Law 480 funds. In addition, \$2 million is available for utilization research by the Forest Service.

The committee action provides for restoring the funds to the various production research programs proposed to be curtailed to expand utilization research. It is believed unsound to eliminate these activities, in view of the valuable contributions they have made through the year, not only to those engaged in agriculture, but also to the people of the entire country. It is generally agreed that the economic stress now being experienced by agricultural producers throughout the country would be considerably worse had it not been for the increased efficiency in production which has resulted from this type of research. The committee believes fully in the value of utilization research. It believes, however, that the additional funds in this bill, together with those proposed to be spent from Public Law 480 sources, will provide adequate expansion in utilization research in the coming year, without the additional transfer proposed in the 1959 budget.

Many urgent production research problems not included in the 1959 budget have been brought to the committee's attention. One example is the serious threat from the hoja blanca or white leaf disease of rice. Another is the need for more study on the cold hardiness problems facing fruitgrowers in Florida, Texas, and California. Various other examples are contained in part 5 of the committee hearings.

The Department is requested to give these matters special attention. To the extent that those that are meritorious cannot be carried on within funds now available, the Department should consider the possibility of placing them in the 1960 budget. Further, the committee feels that, from funds now available, the Department should staff the new Weslaco, Tex., laboratory when it is ready for operation.

Research on the eradication of the corn borer and other corn insects also needs to be increased. The Department is requested to study this matter and submit a special report to Congress next

year as to future action needed to meet this problem.

Within the funds provided, the Department should utilize \$50,000 for expanded field crops research on rusts and breeding problems affecting rice and wheat production, and \$12,500 for additional research on pear decline. It has been pointed out that the pear industry itself has made available funds in the neighborhood of \$55,000 in the search for a cure.

An excellent presentation was made to the committee requesting more adequate attention to the boll weevil problems in the South. It is estimated that, during the 15-year period from 1940 to 1954, the boll weevil destroyed cotton and cottonseed valued at \$2.257 billion. It is further estimated that over \$75 million is spent by farmers each year for boll weevil poison applied in the fields. The committee agrees that further efforts to solve this problem should be made as rapidly as possible. The Secretary is urged to review this matter and recommend during his next appearance before this committee concrete proposals for meeting this problem. For this purpose, an additional amount of \$25,000 should be allocated, from funds available for the coming year.

The committee is well satisfied with progress being made in the establishment of the soil and water research facilities authorized last year. Numerous requests have been made to the committee for attention to this need in other geographical areas. The committee therefore recommends to the Secretary that study be given to the needs for similar laboratories in Kentucky, in the Oklahoma-Texas area, in the area of the Pacific Northwest, and in other areas of the country, with a view to consideration of such needs in connection with next year's budget.

Language has been included in the bill to enable the Department to replace buildings at the Plum Island Research Laboratory in the event of damage from a serious storm. Due to the location of this facility, such standby authority appears to be needed. The committee requests, however, that it be notified by the Department of any proposed use of this authority.

During the past recess of Congress, the committee's investigative staff made a thorough study of the proposals of the President's Commission on Increased Industrial Use of Agricultural Products. A few of the more pertinent findings are quoted below. The full investigation report has been printed in part I of this year's hearings.

1. Mr. J. Leroy Welsh, Chairman of the Commission, advised that the Commission only made a limited inquiry into the areas mentioned in the committee's directive. Mr. Welsh stated that the Commission did not have sufficient time or personnel to perform the research necessary to gather data relative to loss of markets for agricultural raw material, funds presently being spent in research, potential consumption of agricultural raw material for industrial use, or the transfer from one farm commodity to another. He stated that any statements made in the final report in these areas could be considered as a general estimate based

upon information furnished by USDA or on information known to some individual on a task group who is familiar with the industry. Mr. Welsh advised that the Commission, in the short time available, was interested in gathering all of the potential outlets for farm commodities in industrial use and then establish some means whereby a program utilizing agricultural raw materials could be carried out.

2. Mr. Welsh advised that he instructed the task groups to put down on paper any project for research that they could think of, even if it resembled a dream. Dr. Hilbert stated that USDA furnished a list of projects that they are working on or have planned for the future. From these lists the Commission in an executive session selected the projects for inclusion in the final report.

3. Mr. Welsh advised that the Commission did not make a specific study into the loss of markets for agricultural products to synthetics. The estimates used in the report were obtained from economists of USDA and from the familiarity of the markets known to individuals from industry who were on the task groups. He stated that these estimates have been used from time to time in various publications and have been generally accepted as facts. The USDA does maintain statistics relating to markets for agricultural products and these statistics clearly reflect a declining market for such products by industry.

4. The Commission proposed that funds for industrial-uses research be increased to not less than 3 times the amounts currently (\$16,145,000) available; and that additional sums provided for new crops research, trial commercialization, development, and incentives.

5. The Commission furnished 19 examples of projects for which commercial development should be supported. It would appear that these projects are beyond the basic research stage at the regional industrial utilization laboratories of USDA and are ready for pilot-plant operation, market investigation and test, and economic study.

6. The group did concern itself with the production of butyl alcohol and other solvents. Corn and other grains were originally used for this fermentation, but gave way to molasses which was available at a much lower equivalent price than corn. Since molasses has climbed in price because of its increased use in feed the principal competition now is petroleum sources. The group estimated that if corn were used, giving full credit for all the byproducts, the price of corn would have to be at least no more than one-half the present quoted price delivered to offer sufficient incentive for its use.

7. The task group stated that the synthetic-rubber industry is firmly based on economical butadiene produced directly from petroleum raw materials. This process is well established, and costs are very low. The raw material is abundant and the price is stable. As a result, under present economic conditions the growth potential for industrial alcohol for this outlet does not exist. It is only under conditions of heavy subsidy that butadiene can be produced from industrial alcohol.

8. The final report of the Commission reported that industrial alcohol as a blend with gasoline for motor fuel on a national basis is not practicable because—

(1) No blend of less than 10 percent would be practical or effective.

(2) A 10-percent blend of industrial alcohol would require in excess of 2 billion bushels annually, which is more than the current surpluses of cereal grains.

(3) Plant capacity for processing this quantity of grain would cost in the neighborhood of \$2 billion and would have to be built with Government funds.

(4) The total cost to the public through the increase in the price of motor fuel would be in excess of \$1 billion annually.

In view of these facts, the present state of scientific knowledge, and costs involved, the Commission found it impracticable to recommend an alcohol motor-fuel program.

9. The report further stated that careful study leads to the conclusion that the possibilities are extremely limited in developing truly new uses for cotton, desirable as it would be. The best potentials for expanding cotton consumption are in increasing the total market for textiles and in increasing cotton's share of the total. The factors that must be considered are price, quality, and promotional effort.

10. Dr. G. E. Hilbert, Research Director for the Commission, and Assistant Administrator of the Utilization Research and Development Branch, Agricultural Research Service, USDA, advised that the Commission's report did not recommend any new projects which have not been known to the USDA. He advised that the men who worked on the task groups were selected because of their familiarity with a particular commodity and the particular projects recommended for research investigation for each commodity are well known to people in industry, science, and the USDA. He further advised that projects mentioned in the Commission's report are projects which the regional laboratories have conducted limited research on or will conduct research on in the future when funds and personnel are available.

The committee believes that the best way to increase the use of agricultural products would be for the President's Commission to review research work now underway and recommend changes which would strengthen the existing research programs of the Department. In the opinion of the committee, the most effective way to increase the use of agricultural products is to gradually expand the utilization research programs of the Department on a sound and efficient basis. It believes that the creation of an additional research agency would inevitably result in duplication of effort. It further believes that a sudden threefold expansion of the program would create a great deal of waste and confusion.

Plant and animal disease and pest control: A total of \$41,732,000 is proposed for the coming fiscal year, a decrease of \$400,000 in the budget estimate and an increase of \$11,650,000 over the 1958 appropriation. The amount recommended includes an additional \$39,300 to determine compliance with laws related to contamination of food from insecticides, \$75,000 to take over foreign plant quarantine work in Florida, \$75,000 to meet the increased volume of baggage to be inspected at ports of entry, and an additional \$600,000 for screw-worm eradication.

The bill also includes a total of \$15 million for the eradication of brucellosis. In recent years, the program for eradication of brucellosis has been financed from Commodity Credit Corporation funds on a reimbursable basis, as authorized by the Agricultural Act of 1954. It is proposed in this bill to adopt the budget recommendation that the program be financed by direct appropriation in the future.

The committee believes this trend away from the use of Commodity Credit Corporation funds to finance various

programs not related to the price support activities, for which purpose the Corporation was created, is good and should be encouraged. It is understood that, should present laws authorizing the financing of the brucellosis eradication program from Commodity Credit Corporation funds be extended, the authority of that law would be used only to the extent necessary to supplement funds provided in this appropriation.

Meat inspection: The committee recommends the sum of \$24,326,000 for 1959 for the regular meat inspection service and the new mandatory poultry inspection program authorized last year. Of this amount, not to exceed \$17,826,000 should be used to meet the regular meat inspection workload. This, in effect, provides \$1 million more for this work than in fiscal year 1958, if needed. At the same time, there should be adequate funds to meet the full poultry inspection workload as required by the new law.

In the interest of a more effective meat inspection service, and in view of the increased efficiency which should result from consolidation of similar activities, the committee recommends the consolidation of the regular meat inspection service with the new inspection service for poultry and poultry products. While separation of these activities may have been advisable when one inspection service was on a mandatory basis and the other on a purely voluntary basis, now that they are both mandatory the committee feels that they should not be duplicate operations. The merging of the two services should result in greater efficiency and in additional flexibility.

State experiment stations: An appropriation of \$30,353,708 is recommended for grants to State experiment stations. In addition, \$250,000 is provided for penalty mail costs. The amounts recommended are the full budget estimates and are the same as those provided for the fiscal year 1958.

Since 1952, appropriations for this purpose have increased over 140 percent. In view of the continuing needs of agricultural producers for information about better seeds, fertilizers, insecticides, and growing practices, to offset falling farm prices and increased production costs, the committee recommends continuation of the present level of appropriations for this purpose.

EXTENSION SERVICE

Payments to States, Hawaii, Alaska and Puerto Rico: The full budget estimate of \$50,715,000 is included in the bill for the coming fiscal year, the same amounts as provided for the fiscal year 1958.

There has been a large increase in the size of this appropriation since 1952, nearly 80 percent. The committee feels, however, that this level of expenditure should be continued in the coming fiscal year in order to assure adequate assistance to farmers who need help to meet their serious problems resulting from reduced farm income.

Retirement costs for extension agents: The budget estimate of \$5,479,-

375 is recommended for the coming fiscal year, an increase of \$219,375 over the appropriation for the fiscal year 1958. The amount recommended will cover the full retirement fund contributions required for cooperative extension agents during the coming year.

Penalty mail: The committee recommends the full budget estimate of \$1,868,480 for penalty mail costs of State extension directors and county extension agents during the fiscal year 1959, as authorized by law. The decrease of \$295,520 results from a revised procedure for determining mailing costs, which has been developed concurrently by the Post Office Department and the Department of Agriculture.

Federal Extension Service: The full budget estimate of \$2,096,540 is proposed for the coming fiscal year for the Federal Extension Service, which provides the leadership, counsel, and assistance to the extension services in 48 States, Hawaii, Alaska, and Puerto Rico. This is the same amount as was provided for the fiscal year 1958.

FARMER COOPERATIVE SERVICE

The full budget estimate of \$578,000 is recommended for the coming fiscal year. This is the same amount as was appropriated for fiscal year 1958. The committee was more fully satisfied with the presentation made in support of the 1959 budget estimates than with presentations made at hearings in prior years.

SOIL CONSERVATION SERVICE

Conservation operations: The committee recommends the sum of \$74,780,000 for the fiscal year 1959, an increase of \$2,500,000 in the budget estimate and an increase of \$2,235,000 over amounts provided for fiscal year 1958.

Testimony before the committee indicates that 40 new districts will be formed during the current fiscal year and an estimated 30 additional districts will come into existence during the fiscal year 1959. No additional funds were included in the 1959 budget estimate to permit the assignment of soil conservation technicians to the new districts as formed. It was pointed out by Department officials that the only means of meeting the needs of the new districts is to transfer technicians from existing districts, thereby spreading existing personnel thinner and increasing their workload.

In view of the fact that the basic law guarantees the services of soil conservation technicians to all districts, new as well as existing districts, the committee feels that some expansion in funds and personnel is warranted each year as new districts come into the program. Further, in view of the increased amounts requested by the President for the watershed protection and flood-prevention program, in line with the proposal to increase public works expenditures generally, it is essential that the Soil Conservation Service be staffed with adequate well-trained technicians.

Accordingly, the committee has increased this appropriation by \$2,500,000 to assure sufficient technicians to staff existing districts properly and provide technical assistance to new districts as

they are established. Also, the additional funds are provided for adequate technicians to advise and assist in the planning and construction work on the 11 major watersheds authorized in 1944, which are still only about 24 percent completed, and on the small upstream watershed projects under the pilot program and Public Law 566, 83d Congress.

Watershed protection: The original budget requested the sum of \$14 million for the fiscal year 1959 for this program, a reduction of \$11,500,000 below funds provided for fiscal year 1958. House Document No. 351, transmitted by the President on March 12, 1958, increased the budget estimate to \$24 million. The committee recommends \$25,500,000 for the coming year, the amount appropriated for fiscal year 1958.

The original budget estimate of \$14 million provided funds to initiate 60 new watershed projects during the next fiscal year, as well as to continue work on existing projects. The additional funds requested in House Document No. 351 will authorize an additional 48 watershed projects in 1959. The amount recommended in the bill will provide for continuation of work on the 100 watershed projects now underway and will permit the initiation of 108 new projects.

Flood prevention: The original budget estimate proposed \$13,220,000 for flood prevention during the coming fiscal year. A supplemental estimate transmitted to Congress in House Document No. 351 on March 12, 1958, increased the amount for the fiscal year 1959 to a total of \$18 million.

The full budget estimate of \$18 million has been allowed in the accompanying bill. The additional \$4,780,000 will permit the acceleration of work now in progress on the 11 authorized watersheds financed by this appropriation.

The committee feels strongly that every possible effort must be made to speed up the work on these projects. It was contemplated when this program was established in 1944 that the work on these watersheds would be completed in about 15 years. A special study of this program during the past recess of Congress indicates that the average rate of completion as of last June 30 was only 23.8 percent. This study shows further that, at the present rate of progress, it will take another 20 to 25 years to complete some of these projects.

Evidence before the committee indicates that considerable savings have resulted from the work already completed under this program. A study of flood damage in treated and untreated areas in Texas and other parts of the country shows conclusively the value of this work. In the opinion of the members of the committee, the taxpayer cannot afford to further delay its completion.

During the hearings, the extent to which the Department should transfer funds among the various projects was discussed. The committee agrees that some latitude is needed to expedite the work. It feels, however, that Congress should be kept currently advised of proposed shifts of funds from one project

to another in view of the importance of each of these projects.

Water conservation and utilization projects: The full budget estimate of \$335,000 is recommended for the coming fiscal year, a decrease of \$15,000 in the budget estimate.

Nineteen water conservation and utilization projects were originally authorized under this program. Six of these projects have been discontinued due to inflationary land prices and other changes. Twelve projects have been fully completed. The only remaining project, located at Eden Valley, Wyo., is scheduled for completion in the fiscal year 1962. The small reduction proposed is made possible by the completion of certain phases of the work on this one remaining project.

Great Plains conservation program: The accompanying bill includes the full budget estimate of \$10 million for the coming fiscal year. This is the same amount as was appropriated for the fiscal year 1958.

This is a voluntary program which supplements other conservation programs and activities in designated wind erosion counties of the 10 Great Plains States. Cost-sharing contracts extend from 3 to 10 years and include a plan of operation for the farm or ranch and a time schedule for installing eligible conservation practices. All contracts must terminate by December 31, 1971. The cost-sharing rates under this program run up to 80 percent of the average cost of installing each eligible practice.

This is a new program which was authorized last year for the first time. It is getting under way gradually and is expected to be in full operation by fiscal year 1959. While the committee feels that eventually it should be made a part of the regular agricultural conservation program, it has taken no action to consolidate such programs at this time.

AGRICULTURAL CONSERVATION PROGRAM

For the fiscal year 1959, an appropriation of \$235 million is recommended. It is expected that this amount will provide adequate funds to meet all commitments made to participants under the 1958 program authorization of \$250 million. The reduction results from savings which will not cause the Federal Government to fail to meet its commitments under the advance program authorization made last year.

The President's budget proposed to reduce the advance 1959 program authorization from the \$250 million level which has been in effect since 1955 to \$125 million for the coming year. This is the third time that the budget has recommended a decrease below \$250 million since 1953.

The Committee has restored the full \$250 million program for 1959. Testimony from dirt farmers, as well as from farm organizations and others, demonstrates fully the importance of this program to the agricultural producers of the Nation, especially in these times of serious economic stress in agriculture. This testimony, which is included in part 5 of this year's hearings, deserves

the attention of all who are interested in agriculture.

A study of the effect on the natural resources of this country in recent years from droughts, floods, and other natural disasters provides convincing evidence of the real value of this program to the Nation as a whole. The significant savings to our land which have resulted from the work done provide a solid justification for continuation of this program at the present level. The transformation of many sections of the country from barren and badly eroded fields to fertile and attractive areas also can be attributed to the incentives offered by this program. In view of the tremendous sums spent in restoring damage caused by natural disasters in many areas of the country in recent years, it is apparent to the committee that it is less costly to the Nation to prevent the loss of soil and water through this program, than to restore the damage after it has happened. Further, that top soil which flows down our streams and rivers every day of the year is lost forever to future generations.

Testimony presented to the committee indicates that over 1¼ million farmers participate in the agricultural conservation program, whereas less than 100,000 farmers are participating in the conservation reserve program. It is also significant to note that the participants in the agricultural conservation program put up about 50 percent of the funds expended, plus their labor, while under the conservation reserve the Federal Government provides up to 80 percent of the funds expended on the land.

It will be recalled that last year the committee combined all soil and water conservation appropriations into a single item to provide more administrative flexibility and encourage eventual consolidation of the various conservation programs of the Department into a single effort. The committee has not combined the funds for these items in the bill for fiscal year 1959 because of some of the technical differences between the various programs. It still believes, however, that eventual consolidation of the agricultural conservation program, the conservation reserve program, and the great plains program is desirable. It is believed that changes in the agricultural conservation program to allow more flexibility in the Federal share of cost-sharing practices and to permit contracts for a longer period than 1 year would make such a consolidation possible. The committee strongly urges the Secretary to study this matter between now and next January with the view to presenting the 1960 budget on this basis.

In the conference report on the 1958 appropriation bill, the conferees directed that no changes be made in the 1958 agricultural conservation program to restrict eligibility requirements or delete cost-sharing practices included in the 1957 program. This action was taken in view of information received by the conferees that some change in program was contemplated. The committee has been assured by responsible officials of

the Department that this directive was followed, and evidence presented to the committee indicates that no changes were made in the 1958 program.

The committee feels that the 1959 program should be continued on the same basis as the 1957 and 1958 programs. It is convinced that a program which has been accepted by over 1¼ million farmers, where there has been discretion at the local level to select those practices of the most benefit to each locality, should not be changed. It believes that this method of operation provides the freedom from domination by Washington which the Secretary of Agriculture advocates.

The committee also wants to commend the county committee system, where locally elected officials control local operations. This democratic procedure is probably the most effective means that can be devised of getting conscientious and effective participation at the local level. Generally speaking, those who earn all or a portion of their living by tilling the soil are the best qualified to determine the conservation practices needed in each locality, see that they are applied in the most effective manner, and assure that the American people get the greatest possible amount of conservation for the tax dollar spent through this program.

AGRICULTURAL MARKETING SERVICE

Marketing research and service: A total of \$28,192,000 is proposed for 1959. This amount includes \$14,095,000 for marketing research and agricultural estimates and \$14,097,000 for marketing services. The amount recommended for marketing research and agricultural estimates is the budget estimate. It is also the amount which will be spent in 1958, due to a saving of \$21,700 made in 1958.

As stated early in the report, the committee has transferred \$7 million requested for poultry inspection to the meat inspection appropriation under the Agricultural Research Service. It is believed that this is an economy move and will help meet the ever increasing demands on the meat-inspection service.

The funds provided for marketing services include an additional \$40,000 to strengthen the enforcement of the Grain Standards Act and \$125,000 to provide more effective administration of the Packers and Stockyards Act. A better job needs to be done in both these fields, and some additional funds appear to be necessary.

During the past recess of Congress, the committee made a special inquiry into the administration of milk marketing agreements by the Department of Agriculture. This study resulted from numerous complaints concerning the procedures followed in establishing and expanding milk marketing areas. The report on this study raises some basic questions concerning the regulations issued, the failure to notify all interested parties when hearings are held, the rights of an individual member of a cooperative to cast his own ballot, and the protection of a producer not in an area covered by a marketing agreement. The committee has been informed that the Department

is giving this matter careful study to make certain that proper regulations are issued and the fairest possible procedures are followed. The committee recognizes that some inequities are bound to develop in the handling of these marketing agreements. However, it requests the Department to continue its review of this program.

Testimony before the committee indicates that significant improvements are being made in equipment for cleaning, bleaching, and other operations of the textile industry, which change the relative values in use of various cottons. In view of this development, it is believed that a change in the cotton classing standards of the Department might be in order. Therefore, the committee requests that the Department conduct a special study during the next year on this subject and be prepared to make recommendations at the next session of Congress.

The committee is pleased to note the studies which have been made concerning the establishment of premiums for lean or meat-type hogs in the meatpacking industry, as proposed in the committee report last year. The Department is urged to give this problem further study with a view to developing proposals for a shift by the meatpacking industry toward a proper grading of pork. Such a change would benefit everyone concerned: the consumer, the meatpacker, and the producer. It would create a greater demand for pork in this country. It would also enable the United States to again compete in world markets for pork and pork products; and it should help relieve the surplus of fats, now dependent largely upon Public Law 480 sales.

Payments to States, Territories, and possessions: The full budget estimate of \$1,160,000 is recommended for the coming fiscal year, the same amount as was appropriated for the fiscal year 1958. Payments under this appropriation are made on a matched-fund basis to State and Territorial marketing agencies for programs designed to get into practical use improved methods and practices in the marketing of farm products.

While there is some evidence to indicate that State funds available for matching purposes will exceed the amount recommended for this purpose in the accompanying bill, the committee does not feel that it can recommend exceeding the budget request for this program.

School-lunch program: The committee recommends the full budget estimate of \$100 million for the fiscal year 1959, a continuation of the appropriation authorized for the fiscal years 1957 and 1958.

In addition, the committee has included language in the bill to transfer \$55 million from section 32 funds to section 6 of the school-lunch program to assure a more adequate supply of foods for school lunches. In the use of these additional funds, attention should be given to the purposes intended by the legislation establishing the section 32 program, that is, the purchase of temporary surpluses which may have a depressing effect on the market.

This program continues to grow each year. The number of schools participating, the number of schoolchildren receiving lunches, and the number of meals served in 1957 were at an alltime high. Further expansion is expected during the coming fiscal year.

It is significant to note that the average cash reimbursement per meal from Federal funds has decreased from nearly 9 cents in 1947 to an estimated 4.3 cents in 1958. Based on the amount recommended by the budget, it would drop below 4 cents per meal next year. When it is realized that the reimbursement for a half pint of milk under the special milk program is 4 cents, it seems unrealistic to allow the Federal reimbursement to drop to less than 4 cents for a full-course type A meal.

Many individuals and organizations associated with this program have urgently requested additional appropriations during the coming fiscal year, with proposals running from \$130 million to as high as \$200 million. There is considerable justification for these proposals in view of the increasing numbers of children participating in the program and the increased prices of food.

The use of section 32 commodities has been encouraged in the past because of the need for such commodities in the school lunch program and because of the importance of action by the Department to purchase small quantities of temporary surpluses to prevent market drops. In the past few years, the committee has been disappointed by the failure of the Department to use this fund for the purposes for which intended.

In fiscal year 1957 approximately \$132 million of donated commodities were used in the school-lunch program. During the current fiscal year, it is estimated that this will decrease to \$76.4 million, a reduction of over \$55 million. Department officials indicate that, in the absence of the transfer proposed by the committee, the quantity of donated food would remain the same in 1959. The committee has made this transfer of section 32 funds in order to maintain the level of commodities available at not less than the \$132 million level in 1959.

In the opinion of the committee at least part of the reduction has resulted from a failure of the Secretary to move in promptly with section 32 funds and support the price levels of various commodities. A review of the testimony on this point will clearly indicate the reluctance of the Department to use section 32 funds for the purposes intended when the program was established. It will further reveal the strong criticism which this committee has directed toward the Department for this failure to act to bolster markets for such commodities.

The committee has also been concerned by the fact that some of the commodities which have been urgently needed by the school-lunch program due to expanding school enrollments have been sold to foreign countries for foreign currencies under Public Law 480. While this practice is authorized by law, it feels that failure to make these foods available to the schoolchildren of America is a serious mistake.

The committee feels very strongly that everything possible must be done to encourage the use of section 32 funds to support prices of perishable products. It also feels that section 32 must be utilized as fully as possible to provide support for the school-lunch program. This is especially necessary in view of the fact that it has not been possible for Federal appropriations to keep pace with the growth in the number of schoolchildren participating in the program and the rise in food costs.

FOREIGN AGRICULTURAL SERVICE

The committee recommends the full budget estimate of \$4,002,300 for the coming fiscal year. This is the same amount as was appropriated for the fiscal year 1958.

This Service has done an excellent job in recent years. It has established an effective agricultural attaché service, with particular attention to the development of expanded foreign markets for American agricultural products. In addition, under separate funds established by this committee several years ago, it has developed a more effective program for obtaining statistics and information on foreign agricultural production and competitive sales in world markets and has made such information available to those who need it.

The committee has reason to believe, however, that in the conduct of its activities under Public Law 480, too little attention is being given to competitive sales for dollars. There is evidence that Public Law 480 disposals are frequently given preference over competitive sales. In this connection, the committee wishes to repeat that the only sound way to regain and retain foreign markets is through competitive sales. As has been pointed out by the committee many times, the charter of the Commodity Credit Corporation has always provided for sales in world markets on a competitive basis. The probable cause for continued stressing of dispositions under Public Law 480 is the lack of a consistent policy by the Department in favor of competitive sales.

The committee strongly supports the activities of the Foreign Agricultural Service. It believes, however, that its principal reason for existence is to stimulate the export of United States agricultural commodities through competitive sales for dollars. While there may be some justification for the sale of United States agricultural commodities for foreign currencies, in view of the present large holdings of the Commodity Credit Corporation, the long-range program of this Service should be directed toward a program of exports through normal channels on a truly competitive basis.

The hearings developed that within the past year, due to lack of funds, there has been a reduction in numbers of agricultural attachés and assistants, resulting in failure to staff some important foreign posts where attachés should be placed, mainly for market-development purposes. The committee has, as previously, given sympathetic consideration to providing needed funds for this very valuable organization. It is proposed,

therefore, that the Department continue to expand as needed its market-development activities from Public Law 480 foreign currencies, as authorized under sections 104 (a) and (f) of that act, in order to support a more adequate attaché organization. Reports of the use of such funds were made to the committee and will be expected annually hereafter.

The Department is to be commended for including in Public Law 480 agreements, a "convertibility clause" whereby dollars are made available by conversion of local currencies, for use in market development and for other purposes in countries other than those from which the local currencies are derived. Extension and broadening the scope of such clauses to facilitate the use more generally of local currencies for market development and similar purposes would appear to be very desirable, and consistent with the purposes of Public Law 480.

COMMODITY EXCHANGE AUTHORITY

The full budget estimate of \$832,000 is recommended for the coming fiscal year. This is the same amount as was provided for the fiscal year 1958. No significant changes in program or workload have taken place during the past year, nor are any projected for the coming fiscal year.

SOIL BANK PROGRAMS

Conservation reserve: An appropriation of \$250 million is recommended to cover expenditures under this program during fiscal year 1959. This will provide \$64 million to meet payments due under 1956-57 contracts, \$146 million to meet commitments under 1958 contracts, \$23 million for payments on 1959 contracts, and \$17 million for transfers, operating expenses, and production of forest tree seedlings.

The budget included \$242.9 million for payments against 1958 contracts. As of March 1, 1958, only \$47.9 million worth of contracts were signed, and the signup period closes on April 15. The Committee estimates, therefore, the signups will total only \$146 million for the year. Accordingly, it has reduced the funds for this purpose by \$100 million.

The Congress is obligated, however, to honor 1958 contracts up to the full authorization in the 1958 appropriation act. Should commitments exceed the amount provided in this bill, additional funds will have to be made available at a later date.

For the 1959 crop year, the committee has included a program authorization of \$300 million. This should allow adequate funds to meet the needs of the program on a sound basis for the next fiscal year.

Under this program some \$200 million was spent during fiscal years 1957 and 1958, with another \$250 million provided in this bill for next year. If the full \$450 million were provided each year and, if 15-year contracts were entered into, as authorized by the Soil Bank, it is conceivable that this program could commit the Congress to the appropriation of some \$5 or \$6 billion before finally liquidated. This is as much as the cost of the price-support program since its inception in 1932.

Since the Secretary now says that control of production by reduction of acreage will not work and has recommended ending the acreage-reserve program, serious questions are raised as to the continuation of the conservation reserve on the present basis. Even if production controls were desirable there is some room to doubt as to whether this approach would bring about the desired results.

From evidence before the committee, it appears that most of the land placed in this program is marginal land which has never been productive. A special survey made last fall by the committee, which was printed in part 1 of this year's hearings, shows that the heaviest participation has been in limited areas of the country. It shows further that 10 percent of the total acreage in the 1957 program was in 14 counties of the Great Plains area which were dropped from the crop-insurance program several years ago due to extremely heavy losses.

Further, evidence before the committee raises questions as to the value of the program as a conservation program. A total of less than 100,000 people participated in the 1957 program, as compared to 1¼ million participants in the agricultural conservation program. Also, the Federal payment for conservation practices under the conservation reserve, where the Government also pays annual rental on the land, is much higher than for ACP—up to 80 percent for some practices.

The investigation report referred to earlier also indicates that, in some areas, the rent paid under this program by the Government will reimburse the participant for the full value of the land in about 3 years. Numerous examples are cited, also, of the division of land among families, relatives and others for the purpose of getting around the limitation of \$5,000 on the amount which may be paid any one participant. In one case the payments ran as high as \$48,920.

In order to put this program on a more sound basis, and in order to keep it in line with other conservation programs of the Department, the committee has included language in the bill which will limit the rate of payment in any one year to 20 percent of the value of the land and will prohibit payments to participants who illegally divide their land to increase their payments. The proposed language will also make the Federal share of payments for conservation practices comparable to rates established for the agricultural conservation program.

The committee also directs that 50 percent of the funds transferred from this appropriation to the Office of General Counsel shall be used for the specific purpose of checking contracts to determine legality in cases where actions may have been taken to evade limitations in the act or administrative regulations, or where there may have been misrepresentation in fixing rates or other contract terms.

It appears that the operating costs for this program are too high, as compared to other conservation programs of the Department. In 1957, \$18 million was

spent to administer some 90,000 conservation reserve contracts. This is 75 percent as much as the amount used to administer the agricultural conservation program with 1¼ million participants.

Acreage reserve program: An appropriation of \$330 million, the full budget estimate, is included in the bill for the coming fiscal year to pay off contracts signed under the 1958 crop year program. In view of the unexpectedly heavy signups for the 1958 program, it may be necessary to supplement these funds at a later date. As proposed in the Budget by the President and the Secretary of Agriculture, no authority is provided for a 1959 program.

This acreage reserve program cost approximately \$525 million in fiscal year 1957 and will cost another \$600 million in fiscal year 1958. When taken with the conservation reserve, the cost of the two programs for fiscal years 1957 and 1958 is \$1.3 billion. This is more than the cost of the price-support program for the past 15 years of its existence.

COMMODITY STABILIZATION SERVICE

Acreage allotments and marketing quotas: An appropriation of \$39,715,000 is included in the bill for the fiscal year 1959. This is the full amount of the budget estimate and is a reduction of \$1 million below funds appropriated for fiscal year 1958.

The decrease of \$1 million is made possible by improved methods of operation at the county office level. Also, it is expected that the workload of the ASC county offices in administering acreage allotments and marketing quotas will decrease as additional acreages of cropland are placed under the conservation reserve program.

Sugar Act program: The committee recommends the sum of \$71 million for 1959, an increase of \$3,337,500 over the 1958 appropriation and a decrease of \$5 million in the budget estimate. Estimates submitted to the committee indicate that sugar production from 1958 crops will exceed 1957 crops. Additional funds are needed to cover increased payments to producers in line with the increased production. Also, a portion of the increase is required to make payments on a small part of the 1957 crop which could not be made from funds available for 1958.

FEDERAL CROP INSURANCE CORPORATION

The committee recommends the full budget estimate of \$6,376,700 for administration of this program in 1959. This is the same amount as was authorized for fiscal year 1958.

In accordance with the established policy of limited operations on an experimental basis, the 1958 crop insurance program will operate in 818 counties. No net increase in counties is planned for 1959. However, insurance on additional crops will be offered in some of the 818 counties where insurance is already available. It is estimated that 380,000 crops will be insured in 1959 as compared to 365,000 crops insured during fiscal year 1958.

Although losses were heavy in a few areas in 1957, latest reports indicate that income will exceed indemnity payments by about \$5.7 million. Generally, the

principal causes of loss in 1957 were drought, plant disease, excessive moisture, and freezing. In view of rather heavy losses during the several previous years due to floods and drought, particularly in the Great Plains area, the reported net profit for 1957 is especially encouraging. This is particularly true, since it seems preferable to continue this program as a means of meeting agricultural disasters, where the producers participate, rather than to appropriate large sums of Federal money in the form of disaster relief.

RURAL ELECTRIFICATION ADMINISTRATION

Loan authorization: The budget for fiscal year 1959 proposed \$150 million for rural electrification loans and \$56 million for rural telephone loans. From information supporting that budget it might be presumed that those estimates represent the loan requirements for these purposes for a full year. Testimony developed during the hearings, however, discloses that the sums requested are approximately one-half the amounts necessary to cover loan needs for the full fiscal year.

The loan fund estimates submitted to Congress in the regular budget in January were based on the assumption that Congress would enact into law proposed legislation which provides that the local REA cooperatives will obtain a portion of their loan funds in the future by borrowing from private sources. The principal provisions of this bill, recommended by the President and the Secretary of Agriculture, but not yet officially introduced by any Member of Congress, appear in the hearings on pages 1847-1848 of part 3.

It is to be noted that, under the terms of this proposed legislation, the operating costs of the REA cooperatives would be increased through a substantial increase in interest rates. Further, the legislation would increase the Government's liability to the private lenders and would make it possible for the first lien, which the Government now has on the approximately \$3.6 billion in assets of the REA cooperatives, to be surrendered to purchasers of the debentures or bonds issued by the REA. This could lead to the taking over of this great program by foreclosure by the purchasers of the bonds or debentures and could result in the complete loss of these valuable assets to the Federal Government.

The committee wishes to go on record at this point as strongly opposing any such proposed change in the law. It can see no possible benefits to the REA cooperatives and it can foresee the possibility of enormous losses to the taxpayers if such legislation were adopted. It is to be noted that so far no one has introduced such proposed legislation in the Congress.

The committee is of the opinion that the REA program as it now exists is sound. It has extended electric service to rural America to the point where 95 percent of all rural residents are now served. It has furnished electric power for agricultural purposes at a cost which agricultural producers can afford. Furthermore, it has set an enviable repayment record, in that the rate of re-

payment on loans made to date, including interest, exceeds 100 percent of maturities due.

The committee can understand why there are some in this country who would like to take over the first lien on the properties of this large and successful operation. It feels, however, that the interests of the taxpayers must be protected against such possibility, since the taxpayers' money has been used to establish this program and build it up to its present level of operation.

In order to assure that adequate loan funds are available during the coming fiscal year, the committee is recommending \$300 million for electrification loans and \$60 million for telephone loans. In addition, it has provided a contingency fund of \$25 million for each program, if needed. Based on the best estimates available from REA sources, these amounts appear to be sufficient to cover a full year's needs. If applications exceed present estimates, however, the committee will consider the need for additional funds at a later date.

The committee does not feel that its recommendations for this purpose for the coming year should be based on the remote possibility that the proposed legislation which provides for financing through private sources will be enacted into law. It feels that sufficient loan funds should be made available by the Congress in this bill to cover all loan applications which will be approved by the REA during the next fiscal year. Since these loan funds will be repayed in full, plus interest, to the Treasury of the United States, and since no funds are drawn from the Treasury until loan applications are approved, regardless of the size of authorizations provided by Congress, there is no sound reason for not providing sufficient loan authorizations to meet all foreseeable needs. It is pointed out again that these loan funds are secured by a first lien on the lines and equipment of the REA cooperatives.

Salaries and expenses: For administrative expenses for the REA program, the committee recommends the budget estimate of \$9,019,000, a decrease of \$11,950 below the appropriation for the fiscal year 1958. Of the funds appropriated for 1958, \$11,950 was placed in reserve and will not be used during the current year. Therefore, the amount proposed for 1959 will cover the same administrative costs as were required during the fiscal year 1958.

FARMERS' HOME ADMINISTRATION

Loan authorizations: For the lending programs of this agency, the committee recommends a total of \$209,500,000 for the coming fiscal year. This includes \$24 million for farm ownership loans, \$180 million for farm operation—production and subsistence—loans, and \$5½ million for soil and water conservation loans. The total amount recommended is \$34½ million more than combined estimate of \$175 million included in the 1959 budget. The amount recommended for each program is the same as was provided for the fiscal year 1958 for these programs. In addition, a contingency fund of \$20 million is provided

for production and subsistence loans, if needed.

The 1959 budget proposed to consolidate the loan funds for all these programs into one amount and reduce the total to \$175 million. The committee has not approved the budget recommendation on this matter. It feels that the past practice of authorizing a specific amount for each program should be continued.

If the Department feels that some latitude is needed to transfer funds from one category to another, the committee is willing to consider such proposal. However, it cannot go along with the proposal which would make it possible for the full amount of the combined authorization to be used for one program at the expense of the others. For example, under the 1959 budget proposal, the Department could spend the entire \$175 million requested for 1 type of loan program. The entire amount could be used for soil and water conservation loans for which a maximum of \$5½ million has been provided heretofore.

The committee was also surprised to note that the budget proposed a maximum of \$175 million for all loan programs of this agency. During the past few years, \$180 million has been spent on 1 of the programs alone, the production and subsistence loans. It will be recalled that even this amount has been inadequate for production and subsistence loans in recent years. Many areas of the country have run out of loan funds for this purpose early in the spring of each year.

Attention is directed to the fact that this program has reached the point where annual collections will soon equal the amount of loans made each year. In fiscal year 1957, collections of principal and interest totaled \$183.6 million as compared with \$231.9 million advanced for such loans. In 1958, collections are estimated to total \$214.3 million as compared to loans of \$209.5 million. In fiscal year 1959, collections are estimated at \$227.1 million as compared to a proposed loan authorization of \$209.5 million.

As has been pointed out in previous years, the repayment record of this program is very good. The repayment of principal plus interest frequently exceeds amounts due, with some borrowers repaying in advance of the repayment rate required. In view of the fact that these loans are generally made to those who cannot secure credit elsewhere, the committee feels that this is an excellent record which fully supports the provision of adequate loan funds to meet the needs of this Agency's borrowers.

In granting funds for farm ownership loans, the committee believes it to be highly desirable that the most cautious discretion be used to prevent placing a debt burden upon borrowers. The continuation of the so-called price-cost squeeze coupled with high land values has affected ability of some borrowers to repay loans. The Farmers' Home Administration has a dual obligation of advising the borrower and giving Government direction concerning his farm management problems and creating a

national atmosphere conducive to sound land investment.

The committee is disappointed at the refusal of the officials of this Agency to use more fully their authority to meet credit needs in disaster areas. Heavy losses due to drought, floods and weather continue to plague agricultural sections of the country.

Due to heavy rains during the harvesting season last year, much of the cotton production of the southeastern part of the country was lost. This has created a serious economic situation in that area. Since many of these farmers have no other possible source of credit or relief it is imperative that the Department step in and meet their needs. Past experience in similar situations demonstrates that these people can be relied upon to meet their obligations and repay these disaster loans on a reasonable basis.

Salaries and expenses: The committee recommends the full budget estimate of \$29,089,500 for the coming fiscal year, the same amount as was appropriated for the fiscal year 1958. It is expected that the loan activities of the agency will remain about the same in 1959 as during the current year.

OFFICE OF THE GENERAL COUNSEL

The 1958 appropriation, \$2,943,000, is again recommended for this Office for the coming fiscal year. This is a decrease of \$100,000 in the budget estimate.

The committee is of the opinion that in recent years this Office has failed a number of times to render objective opinions on legal questions. This appears to be based on determinations by departmental officials prior to a request for formal legal opinions, with the General Counsel being asked subsequent thereto to render formal opinions to support determinations made or actions already taken. This has led this Office to be used largely to bolster administrative policies and decisions. An illustration of this is the position taken by the General Counsel with respect to developments under the 1958 acreage reserve program. Despite language in the Soil Bank Act which provides that "the limits within which each farm may participate in the acreage reserve program shall be established in such manner as the Secretary determines is reasonably calculated to achieve the national reserve acreage goal and give producers a fair and equitable opportunity to participate in the acreage reserve program, taking into consideration their acreage allotments or farm base acreages, whichever may be applicable, the supply and demand conditions for different classes, grades, and qualities of the commodity, and such other factors as he deems appropriate," the General Counsel held officially that farmers who went to the place designated for the signup, within the time specified by the Department, could be denied their right "to participate on a fair and equitable basis" by the Secretary surrendering his responsibility to various State committees. While this decision may have served to support the Department's refusal to scale back rates offered or limit acreage within the \$500 million program announced last year, it appears erroneous to a ma-

jority of the members of the committee. This decision led directly to spending \$250 million additional in the acreage reserve program above that authorized by Congress last year.

The committee and the Congress were required to protect the rights of such farmers under the law, after the Department refused to take any action, by including an additional authorization in the Second Supplemental Appropriation Act of 1958. Such emergency action would not have been necessary, however, if an objective opinion had been rendered in this case by the general counsel. The committee has also taken exception in recent years to several other important decisions rendered by the general counsel on the basis that they were not objective, but rather sought to serve the purposes of the officials requesting the decisions.

The committee has not approved the \$100,000 increase recommended in the budget in the belief that there should be a change in the basic concept of the duties of the general counsel before further expansion is approved.

OFFICE OF THE SECRETARY

The committee recommends \$2,668,895 for fiscal year 1959, an increase of \$8,235 in the budget and an increase over the amount appropriated for the current fiscal year. This increase is a transfer from the Office of Information and is provided to cover the preparation and distribution in this office of speeches by the Secretary, the Under Secretary, and the various assistant secretaries, work heretofore performed by the Office of Information. The committee believes that all funds and personnel used for preparation and handling of speeches of these top officials should be located in the immediate office of the Secretary.

During the past recess of Congress, the committee conducted a study of the activities of the Office of Information in connection with the preparation and distribution of speeches by the Secretary and his immediate assistants. Based on this study it is estimated that a total of \$41,179 has been spent to prepare and distribute the Secretary's speeches since January 1953. This averages about \$8,235 per year.

The committee questions the use of funds and personnel of the Office of Information for speech writing and distribution. Many times such speeches are of a political nature, frequently they contain only a portion of the story and present only limited factual information, and are detrimental to maintaining confidence in the Office of Information.

Language has been included in the bill to permit the charging of travel expenses of hearings examiners to the various funds which finance the subject matter of the hearings conducted through this appropriation. This arrangement seems to be the most satisfactory way to meet the large fluctuations in workload for the different programs, which are hard to predict in advance. The committee requests that it be kept advised of the use of this authority by the Department.

OFFICE OF INFORMATION

For the coming fiscal year, the committee recommends \$1,359,265, a reduc-

tion of \$8,235 in the budget estimate and in the amount appropriated for fiscal year 1958.

It is to be noted that the primary purpose of this Office is to disseminate results of scientific research carried on by the various agencies of the Department. To protect the integrity of the Office, and to limit its function to the distribution of scientific information, for which purpose it was created, the committee has transferred \$8,235 to the Office of the Secretary so as to center in that Office the preparation and distribution of speeches by top officials of the Department.

LIBRARY

The full budget estimate of \$772,000 is recommended in the bill for the coming fiscal year. This is the same amount as was provided for fiscal year 1958. No change in functions or workload is expected during the coming year.

COMMODITY CREDIT CORPORATION

Restoration of capital impairment: The budget estimate of \$1,760,399,886 is included in the bill for restoration of capital impairment of the Corporation through June 30, 1957. A breakdown of this amount is as follows:

[In millions]

Price support program:	
Basic commodities.....	\$907
Mandatory nonbasic commodities....	296
Other nonbasic commodities.....	96
Total, price supports.....	1,299
Commodity export program.....	147
Interest, administrative and other (net).....	314
Total.....	1,760

For a number of years now, the committee has insisted that the Department offer its commodities for sale in world trade on a competitive basis for dollars, in order to keep United States commodities on world sales counters, and in order to move the huge surpluses in storage in the United States. After continued urging by this committee and after the establishment of a special sales organization for the Corporation in the 1956 Appropriation Act, the Department began moving agricultural commodities in foreign trade for dollars. This program proved very effective and large quantities of United States commodities were moved into world trade as a result. As a matter of fact, the Secretary has claimed considerable credit for the volume of commodities which have moved into foreign markets during the past several years. In recent months, he has pointed out that CCC holdings have gone from a high of \$8.9 billion in 1956 to approximately \$7.2 billion as of January 1958.

The committee is proud of what has been accomplished in this connection and strongly insists that the Secretary continue to offer our commodities in world trade on a competitive basis for dollars. Considerable progress has been made in regaining historical markets for the United States and discouraging expansion of foreign production of commodities in competition with this country. Any actions taken to decrease the effectiveness of this highly successful competitive sales program would be a real disservice to the Nation.

Administrative expenses: The committee recommends \$35,398,000 for the administrative expenses of the corporation during the coming fiscal year. This is a reduction of \$702,000 in the budget estimate and is the same amount as was provided for the fiscal year 1958.

No increase in funds for the coming fiscal year appears to be warranted. The estimated workload in price support operations will probably be less in the coming fiscal year than during the present year.

FARM CREDIT ADMINISTRATION

The bill includes administrative expense limitations of \$3,818,000 for the Farm Credit Administration and the Federal intermediate credit banks for the fiscal year 1959. This is a decrease of \$1,757,000 in the administrative expense limitations authorized in 1958. The amounts recommended include \$2,125,000 for the parent organization, the Farm Credit Administration, and \$1,693,000 for the Federal intermediate credit banks.

The amount provided for the intermediate credit banks covers expenses for the 6-month period ending December 31, 1958. Effective January 1, 1959, the administrative expenses of these institutions are not subject to congressional limitation, as provided by the Farm Credit Act of 1956.

The Federal Farm Mortgage Corporation has been inactive since July 1, 1957, when its loan authority was repealed. As of June 30, 1955, all assets except reserve mineral interests were liquidated through bulk sale to the Federal land banks. All Government capital has been repaid except \$10,000 which will be returned in 1958.

Now, as to the 3 or 4 things that are of a great deal of interest to the Members of the House. First may I say that with regard to the REA, the budgeted amount that was sent down by the Department in December was for one-half year. The committee, therefore, has doubled the amount of loan authorization for electrification loans, which is in line with the testimony of the Department as to the needs. We have also provided \$25 million in a special contingency reserve, which means that if the funds are used up, they have a way to meet those needs. I point out again that these funds are repaid to the Treasury, and this great organization has a wonderful record of repayment.

Many Members of the Congress have expressed interest in the Soil Conservation Service. There is a continuing need for additional funds for this agency, because the law provides that we must give personnel to new districts. Next year there will be about 40 new districts.

We had another change in the outlook come up during the period of the hearings. The President sent a supplemental request for the watershed program and for the flood-control projects in this Department. In the one instance I believe it was an increase of \$10 million. The committee added \$1.5 million to bring those funds for next year up to the amount available this year. In flood control I believe there was an additional budgeted of nearly \$5 million. The purpose of the supplemental estimate by the

Bureau of the Budget was to expedite the completion of these flood-prevention projects. I think it is highly important that we expedite this work.

The record shows in one place, in Oklahoma, I believe, where they completed these small watersheds on one tributary, that the damage in that flood was 71 percent less than it was on other tributaries of the same stream where we had not completed the work. Thus in order to meet the needs, in order to expedite this work and provide personnel for new districts there is \$2½ million added to the budgeted amount for the Soil Conservation Service.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. AVERY. Mr. Chairman, referring again to the conservation program, I notice an item for emergency conservation measures. Would the gentleman comment on that? That is a \$20 million item.

Mr. WHITTEN. To which page is the gentleman referring?

Mr. AVERY. At the top of page 41 under the ACP program, a new item; that is, it is new to me, anyhow. It says, "Emergency conservation measures."

Mr. WHITTEN. As I understand it, that has to do with emergency appropriation which we had last year.

Mr. MARSHALL. Mr. Chairman, will the gentlemen yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. MARSHALL. That was a supplemental appropriation which we passed last year for that purpose.

Mr. AVERY. Mr. Chairman, if the gentleman will yield further, I did not quite understand the gentleman from Minnesota.

Mr. MARSHALL. Last year the Department came up, because of the acute situation in the matter of soil conservation, and asked for a supplemental appropriation. That item was included in the supplemental appropriation as of last year.

Mr. AVERY. Then does that continue the same program for the fiscal year 1959? If it was a supplemental appropriation, why is it continued in the regular bill unless it is a continuing program?

Mr. MARSHALL. It was felt that the need for that was on an emergency basis and that was provided last year.

Mr. AVERY. Then it is not in the program this year?

Mr. MARSHALL. If the gentleman will look at his column again, that is in the 1958 column. It is not a 1959 item.

Mr. AVERY. But it was not in the regular bill last year, but was a supplemental item?

Mr. MARSHALL. That is right.

Mr. AVERY. I understand it now; and I thank the gentleman for yielding.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from California.

Mr. SHEPPARD. Mr. Chairman, I am taking this time, with the gentleman's permission, to make an inquiry because of a substantial number of letters and

wires that I have received concerning a station at Fontana, Calif. There is a fear that that station will be discontinued because of a lack of sufficient funds for the continued operation of that research station. Would the gentleman tell me whether that is or is not correct?

Mr. WHITTEN. We have not eliminated funds for any research stations. The Bureau of the Budget recommended that certain research work at certain stations be eliminated, but the committee has taken the view with reference to research stations that they should be continued. I am not familiar with the specific case to which the gentleman refers, but I know there is nothing in this bill to stop operations of any research station. In fact, we told them to keep the ones they had.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I was delighted to hear the gentleman say that an additional \$2.5 million was being provided for this upstream watershed program. May I ask the gentleman, how many additional planning parties that will provide for the 48 States?

Mr. WHITTEN. May I say that the \$2.5 million is for more technicians for the Soil Conservation Service. The actual funds for the watershed treatment are recommended in the sum of \$25.5 million. For flood prevention on the 11 old watersheds we have approved \$18 million. The \$2½ million was to provide funds so that personnel could be provided to expedite the actual construction under these programs.

Mr. EDMONDSON. The gentleman is aware of the big lag we have had in getting work going on this watershed program because of a lack of planning parties. Is there any possibility of getting additional planning parties?

Mr. WHITTEN. When the gentleman adds the \$2.5 million and also adds the other millions that are included, it is an indication that we do recognize the situation and are pushing ahead as fast as we can.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. MARSHALL. In our studies of this matter and our recommendations we feel this would provide about 40 to 50 new soil conservation technicians.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. I notice on page 16 of the committee report you have recommended this year that the poultry inspection be combined with the meat inspection service.

Mr. WHITTEN. May I say to the gentleman that our committee in considering this problem had the budget request before us. We are setting up a new inspection service. The committee was familiar with the fact that at the present time we have in Washington, under meat inspection, 42 people. We

have 27 people proposed in the poultry inspection service. We now have 4 area offices for meat inspection, in Chicago, Los Angeles, St. Louis, and New York City. We have 145 main field stations and 347 subsidiary stations for meat inspection throughout the country. There are about 2,900 to 3,000 inspectors.

Now they propose to set up another inspection service for poultry all over the United States. The committee, looking at it from an appropriations-process viewpoint, felt we should not set up a new organization with all this widespread number of offices. I have here the number of offices in each State.

These are the meat inspection stations and substations by States:

Alabama.....	6
Arizona.....	3
Arkansas.....	7
California.....	53
Colorado.....	4
Connecticut.....	8
Delaware.....	4
Florida.....	10
Georgia.....	13
Idaho.....	4
Illinois.....	32
Indiana.....	13
Iowa.....	18
Kansas.....	7
Kentucky.....	4
Louisiana.....	5
Maine.....	1
Maryland.....	7
Massachusetts.....	24
Michigan.....	9
Minnesota.....	13
Mississippi.....	4
Missouri.....	10
Montana.....	2
Nebraska.....	9
Nevada.....	2
New Hampshire.....	3
New Jersey.....	24
New Mexico.....	--
New York.....	32
North Carolina.....	4
North Dakota.....	3
Ohio.....	26
Oklahoma.....	1
Oregon.....	10
Pennsylvania.....	30
Rhode Island.....	4
South Carolina.....	6
South Dakota.....	6
Tennessee.....	8
Texas.....	20
Utah.....	4
Vermont.....	3
Virginia.....	17
Washington.....	8
West Virginia.....	1
Wisconsin.....	9
Wyoming.....	1
Total.....	492

Mr. FOGARTY. My purpose was to compliment the committee on putting the two together, but I was wondering whether you were allowing sufficient funds for a good inspection service for both meat and poultry. It has been brought to my attention that perhaps more could be used in this area, although I suppose you have allowed the full budget estimate.

Mr. WHITTEN. It is my judgment that we have handled it in such a way there will be adequate funds. This is a field where it is pretty hard to satisfy everyone. It is our judgment that, insofar as the poultry inspection is concerned, we will have a better inspection

service and it will get off better if we do not give them too much money all at once to set up an organization, until they find out how it should be run.

I should like to take advantage of the gentleman's inquiry, though it is for a different purpose, to say that the committee found there are many Members of Congress and others, who are doubtful about putting poultry inspection under the regular meat inspection service. May I say to the Committee that our purpose was not to put the poultry inspection under anyone else, nor was our purpose to put the poultry inspection directly under the Agricultural Research Service. It was our purpose to direct the Department to keep down any duplication of offices and other things, which would be terribly expensive. I will extend my remarks to carry a statement interpreting that section of the committee report as to what we intended. But I do say to the gentleman from Rhode Island that it was the judgment of the committee that we have provided all funds needed.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. It is my understanding that while you may have provided adequate funds you still have not carried forward the recommendation of the Department of Agriculture, namely, that the poultry inspection be placed under AMS. Am I correct or incorrect on that?

Mr. WHITTEN. It came down under AMS. We felt if you kept them in 2 different titles in the bill, you would have—well, for instance, you have 42 supervising people under Agricultural Research Service. For poultry inspection they would have 27 new people in Washington under the Marketing Service. That would go all the way down through the various areas of the country. We felt that was ridiculous. Our purpose was not necessarily to transfer it from the Marketing Service over here. It was to point up the need to have a consolidation of the work in the various offices and not have duplication.

May I explain that in this agriculture appropriation bill we could have appropriated the full amount of money for the whole Department in one amount. They still would have had the right to use it in that way. The language I have written here is that we did not necessarily intend to transfer it but to give the Department liberty to go ahead and work this out in the way that might be best.

Mr. SEELY-BROWN. It is my understanding that you have not definitely committed yourselves to the belief that the research department is better qualified to carry on this kind of inspection than the Marketing Service which, in my opinion at least, would appear to be the more suitable setup for that work.

Mr. WHITTEN. Perhaps, I might save time if I just read this statement which I intend to insert in the RECORD at this point.

Mr. WATTS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. WATTS. In view of the gentleman's statement that he does not intend for poultry inspection to be placed together with the red-meat inspection and further in view of the fact that the appropriations for both services is in the research department; would the committee have any objection to the Secretary under the general authority of transfer that he has, to make such transfer from that fund to the Marketing Service as is necessary to carry out the poultry inspection?

Mr. WHITTEN. Speaking for the committee, I will say that we have no such objection. On the other hand, we would stick to our position that this whole program should be handled in such a way as not to set up through the United States a duplicate set of offices, in view of the high cost and the tremendous number that would be needed. I have conferred with the Department and they understand that the committee does not necessarily try to lump these two under the Research Service.

Mr. WATTS. Mr. Chairman, will the gentleman yield for one further question?

Mr. WHITTEN. May I read this statement and I think that will spell it out. I would rather do that than to answer further questions, if I may. This statement is made in interpretation of the language that appears in the report.

The committee, in consolidating the funds for meat inspection, did not intend to thereby place poultry inspection under the Agriculture Research Service. Such action was taken in order to prevent the establishing of two sets of supervisors and offices in the same general field, since such action would result in needless expenditure of funds. The committee did not intend to place poultry inspection under meat inspection, but only to assure that the two activities were properly coordinated.

It is noted that a large number of offices presently exist at the area, district and Washington levels; and it was the belief of the committee that attention should be given by the Department to prevent needless duplication.

It may be that further study will be needed as to how properly to handle the inspection of red meat and that of poultry.

In the event it takes additional time to work this matter out, the committee wishes to state again, in any consolidation the differences existing between the poultry industry and the red meat industry should be kept in mind and in the inspection proper, poultry inspection should be by those inspectors who have been especially trained for that work.

The committee is of the opinion that in view of the difference in size and number of carcasses that the special system required with regard to poultry inspection should be limited to that essential for the protection of the public health and in no way should be along such lines as to slow down in any manner the operation of the poultry plant.

In the carrying out of this new compulsory poultry inspection, the Department should make every effort to prevent either poultry or red meat from being

overshadowed by the other in the departmental organization. It is recognized by the committee that these two fields of meat production are competitive and the committee expects to follow the operation of the inspection service very closely to see that each industry is protected and that inspection in both fields be limited to that for which it was basically set up, that is, for the protection of public health. The committee expects to have a full investigation of possible existing duplications in this field, making note of that fact that approximately 25 percent of the poultry industry has been under voluntary inspection for some years.

Now that is about as clear as I can make it.

Mr. WATTS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. WATTS. I think that is a fine statement. I think it is not the intention of the gentleman or the intention of the committee to place poultry inspection under meat inspection. But, I would like to renew my question about the appropriation. The gentleman's committee did place the appropriation for poultry inspection under the research item.

Mr. WHITTEN. May I say this. Insofar as this bill is concerned, this is not controlling language and I have advised the Department of this expression which I just presented. May I say to the gentleman, if the agricultural marketing service had come first in the bill, doubtless the committee would have put it there. The only thing in the mind of the committee was to prevent duplication and extra expense.

Mr. WATTS. Then it is the intention of the gentleman since he just lumped the two sums together for the marketing service to use the funds.

Mr. WHITTEN. I would rather stand by my statement. May I say again I am not yielding on this—it is the attitude of this committee that it would be ridiculous to set up a large number of extra offices throughout the United States. When we stick to that principle, we will be able to work it out. We certainly want protection for the poultry industry. But, I have to say again that so far as I know nobody on the committee wants to set up a complete set of duplicate offices throughout the United States.

Mr. WATTS. Neither do I, if it could be avoided. I do not want poultry put under meat.

Mr. WHITTEN. I have made it clear in this statement that we do not either.

Mr. WATTS. The only reservation I had was that they have enough money to carry out the inspection in the Marketing Service.

Mr. WHITTEN. Certainly the Department has the money to carry it on wherever it is. They are aware of our intentions.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. LANDRUM. Did I understand the gentleman to say he has no objection to the Department working out, as

it sees fit, which one of these agencies shall conduct the poultry inspection?

Mr. WHITTEN. May I say to the gentleman I just spent about 15 minutes trying to say that.

Mr. LANDRUM. I think it was a satisfactory statement, but I wonder if we could say this: Does the Department have authority, if it determines that the AMS is the best unit for carrying out this service—does it have the authority to transfer these funds, \$7 million?

Mr. WHITTEN. It has the right to transfer meat inspection to the Marketing Service.

Mr. LANDRUM. Could it transfer part of this appropriation to the Marketing Service?

Mr. WHITTEN. It certainly could.

Mr. LANDRUM. And the committee has no objection to that?

Mr. WHITTEN. If it means setting up two sets of offices, we would certainly object.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. BECKWORTH. Has the Department of Agriculture indicated whether or not it would plan to set up another set of offices?

Mr. WHITTEN. The budget request came down for about \$7 million, and the plans that they have submitted to us show that they want 27 people in Washington, 6 area offices, and possibly 7 with 60 new people. They want 1,200 inspectors. So they definitely had that plan at the outset.

Mr. BECKWORTH. Did the Department express an opinion of whether or not it feels that the inspection of poultry should be carried on apart from the inspection of red meat?

Mr. WHITTEN. Well, they recognized there are differences. They provide for specialized poultry inspectors.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. MARSHALL. The Committee on Appropriations in considering this item is desirous of preventing all duplication possible. We do not want to build up any more personnel than possible. We want to do it as efficiently as possible without harming the service. Under the present system, unless we did something that was a duplication of Federal employees, we would run into a lot of ramifications.

Mr. WHITTEN. I yield to the gentleman from Washington.

Mr. HORAN. Our subcommittee has considered this bill as fully as we know how. In the budget, this year was in excess of \$30 million for all types of poultry and red-meat inspection. There was an additional amount to institute this inspection of poultry and poultry products. Then, in addition to that, just to place this before you, there are allocations—and I hope the committee will listen to this—there are allocations from other departments in excess of \$6 million also going to various sorts and types of meat inspection. We have before us, therefore, an overall item for various types of meat inspection, including poultry, in excess of \$30 million.

Our subcommittee was not satisfied that we were looking at the whole picture. As the gentleman from Minnesota [Mr. MARSHALL] has just pointed out, we can work this out. We felt that our committee should bring this whole picture to the Committee of the Whole House as we consider this bill, and that is what your chairman is doing at this time.

Mr. WHITTEN. I thank the gentleman.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield, but not on poultry.

Mr. CHELF. None of us wants needless expense or duplication.

Is the Department presently constituted to fulfill this job? Given this job can they take it on? Have they sufficient trained personnel?

Mr. WHITTEN. They have 80,000 people in the Department and over \$1,-600,000,000 to spend this year. They have the right to transfer 7 percent from one program to another.

Mr. CHELF. Are they skilled people, trained people?

Mr. WHITTEN. After it is in operation a while we will find out how much skill they have, but they are training inspectors in poultry at the present time.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. On some other subject; yes.

Mr. DIXON. I have been on my feet for 10 minutes seeking to ask a question.

Mr. WHITTEN. I am sorry; certainly I yield to the gentleman.

Mr. DIXON. The gentleman made a statement wondering whether the Department would carry out the suggestion of the committee, that is, with this cross-utilization of personnel the Department could continue this supervision under the marketing organization.

Mr. WHITTEN. May I say that the Department has broad authority and we have indicated to them that if, in the exercise of their discretion they prevent this needless duplication, they will not be breaking faith with the committee. That is all that is involved here. Whether it is utilized or not, the authority exists.

Mr. LANDRUM. Mr. Chairman, it has been my intention, until this moment, to propose amendments in this bill which would remove poultry and the amount of money required for poultry inspection under the Poultry Products Inspection Act of 1957 from the meat inspection item under Agricultural Research Service and place this inspection in the bill under the Agricultural Marketing Service.

I feel very strongly, as I know other Members of the House with large poultry establishments do also, that at least during the infancy of this new compulsory poultry inspection program its success depends on wise and experienced administration.

For more than 25 years the Agricultural Marketing Service has conducted a very successful voluntary program of poultry inspection. The officials of this agency are thoroughly acquainted with

the problems of the industry and they recognize that the poultry and red-meat industries are to a great degree distinct in the overall agricultural economy and that the protection of consumer health involves the application of inspection procedures which necessarily must be different for each. Since the passage of the Poultry Products Inspection Act last year the Agricultural Marketing Service has promulgated and distributed rules and regulations designed to inaugurate the compulsory program. All of the processors engaged in interstate commerce must submit to the compulsory program in January 1959. Based upon the regulations and instructions issued to them by the Agricultural Marketing Service the processors have spent thousands of dollars remodeling their plants and getting new equipment so as to be able to comply with the law and the regulations.

For these and other reasons I believe that it is unwise, at this time, to require the Department of Agriculture to consolidate the red-meat program and the poultry inspection program into one agency.

In view of the statement by the distinguished gentleman from Mississippi [Mr. WHITTEN], chairman of this Appropriations Subcommittee, that it is not the intention of the committee to require this consolidation and, moreover, in view of existing authority in the Secretary of the Department of Agriculture to transfer funds from the Agricultural Research Service to the Agricultural Marketing Service I have decided to forego the offering of these amendments. I believe that the statement of the gentleman from Mississippi [Mr. WHITTEN], together with the legislative history of the Poultry Products Inspection Act is sufficient advice to the Secretary of Agriculture as to congressional intent in this matter and I trust that there will be no consolidating of the inspection services, at least until a more complete study can be made of the problems connected with proposed consolidation.

Mr. ROBERTS. Mr. Chairman and gentlemen, I am here to urge this distinguished committee to make provisions for an increase above the budget of \$6 million, as requested by the land-grant colleges for the extension and State experiment stations, with the bulk of this increase to be used to raise the salaries of the county agents.

It is my earnest belief and contention that the county agents deserve this proposed increase as much as any other group in the country today.

I am sure that I do not have to convince you gentlemen of the great contribution these county agents are making to modern agriculture in all parts of the country. I know you have in the past been a strong supporter of the extension-service programs. But the county agents have not gotten their fair share of increases in appropriations for these programs and I appeal to you today to see that this share is fulfilled.

My good friend, P. O. Davis, director of the extension service at Alabama Polytechnic Institute, that great land-

grant college at Auburn, Ala., has said there are two most impressive and significant facts about American agriculture. One is that American farmers have developed the most efficient system of agriculture in the world. The second is that the United States is the only Nation that has established and developed the land-grant college system of finding facts through research and making them available for application by people where they live and work.

Mr. Chairman, this program, as you well know, is taken to the people where they live and work by the hard-working, patient, and underpaid county agents.

In Alabama, as in other parts of the country, the county agent is everywhere a farmer is trying to farm. He is solving problems, developing new techniques, helping young men and women to learn lessons about life itself. Through every public medium, through personal contacts, and through demonstrations, the county agent is reaching the man on the farm with sound, useful information. The county agent is the teacher, the advisor, the friend to the rural folk of America.

I think you will agree, at least I hope you will, that these dedicated workers deserve a reasonable salary increase. Last year, these men were granted a token increase, but it needs to be made equitable. Right now, the Congress and administration seems prone to grant a substantial raise to Federal employees. I urge you not to overlook the county agents, and I respectfully ask that you consider ways and means of increased appropriations to assure a much-needed helping hand to these county agents.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, so that the membership of the House might have in front of them the figures as to the cost of these agricultural items I had certain tables put in the hearings at page 2201. The first one is found in part 4 of the hearings and shows the different moneys that were paid to farmers by the Commodity Credit Corporation and other sources of funds.

The price support items ran to \$2,913,-847,754.

The mandatory nonbasic commodities ran to \$481,111,637.

Other nonbasic commodities that appear there ran to \$449,069,511.

The total is \$3,844,028,902.

There were certain items of commodity export which total \$81,674,693 which I assume should come out of that.

Then there were disbursements for purchases under Public Law 480 to a total amounting to \$690,678,403.

For the removal of surplus agricultural commodities: Beef, eggs, fruits, pork and lard, turkeys, vegetables, wheat flour and cornmeal; diversion and export payments on potatoes, wheat and wheat flour, totaling \$73,607,347.

This makes a grand total of \$4,689,-989,345. Over on page 22 appears the price schedule of different commodities, the high and the low, from 1952 down through the fiscal year 1957. I thought

that the membership ought to have that before it.

Frankly, Mr. Chairman, I am very much disturbed about this agricultural situation. There has been more of an attempt to play politics with it than there has been to cure the situation and get the matter straightened out. I wish that we could persuade the Committee on Agriculture to go into it on the basis of what is needed and on a constructive basis so that we might make some approach toward getting out of the difficulties that we have gotten the farmers into.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I take the floor at this time to comment on a statement in the report regarding the President's Commission to find new industrial uses for surplus farm commodities. I shall not attempt to read the entire report except to say that this section of the Commission's report was written by a couple of gentlemen who were lent to the Commission by the great oil-producing industry and of course they gave a bad report on the use of grain alcohol mixed in motor fuel. It is my opinion—and I form my opinion from good authority—that this report on that item is 100 percent erroneous.

The congress of Brazil before World War II passed a law which required that alcohol made from their surplus sugar shall be mixed with gasoline. And that law has proven very beneficial for the Brazilian Government and all the Brazilian people. They use as much as 35 percent sugar alcohol mix in their gasoline. Sao Paulo, Brazil, uses from 15 to 20 percent with complete satisfaction. Senator MUNDT and I introduced a bill during the last session of the Congress and the session before which provided for a 5-percent grain-alcohol mix in our motor fuel. The Brazilian Government says that a 10-percent mix or under does not require any change in the carburetors, and that comes to me on good authority. I was in Brazil last fall. Now, this report says that if we would use a 10-percent alcohol mix in our motor fuels that it would use 2 billion bushels of grain every year, and they make other untrue statements. That is more grain than the Commodity Credit Corporation has in storage today. I differ with them on those figures, even, because actually it would use up about 1.4 billion bushels of grain a year. A 5-percent mix would use up about 700 million bushels of grain a year. The fellows who wrote this report say that a 10-percent mix would use up our surpluses too fast. Now, would it not be just too bad if we could dispose of these price-depressing costly surpluses which have caused the farm problem and in fact our entire national problem. We must remember that every profession we have had in this United States of America has been farm bred and farm fed.

Mr. Chairman, I want to compliment the committee on the bill they have brought out. I think it is a good bill as a whole. I am glad to see the committee make no recommendations for a change

in the REA program, because certainly the REA program has gone along in good shape under the present setup and has done a wonderful service to the farmers of America.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I will be glad to.

Mr. H. CARL ANDERSEN. The committee had before it a proposal from the administration to the effect that REA should depend upon, in the latter half of the year, much of its loans on private capital. That would depend, in turn, on a bill being enacted in this session of the Congress which is so far-reaching that there would be no probability whatsoever of the bill being enacted by the Congress. Consequently the committee threw aside the recommendation of the administration to that effect, and instead put in \$300 million in loan authorizations for REA. The committee has made a very strong recommendation against the raising of REA interest rates from the present 2 percent level. We feel that the interest rate which REA has enjoyed throughout the years has been beneficial to the rural economy of the Nation. I might say, concerning the gentleman from Iowa, that I have served with the gentleman for about 20 years, and I know of no man in the House during those years who has shown more real interest in the REA program than has BEN JENSEN of Iowa.

Mr. JENSEN. I thank the gentleman very much. I can say as much for him and may I say since the gentleman mentioned it, that I am proud of the fact that I have supported every dime which has been recommended by the Agricultural Subcommittee on Appropriations for the REA and for the entire agriculture program every year since I have been a Member of this body, for certainly farming is yet the greatest free enterprise industry in our blessed land.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield further?

Mr. JENSEN. I yield to the gentleman.

Mr. H. CARL ANDERSEN. Mr. Chairman, I can attest to that. I have never known a time when the gentleman has not supported the full amount as brought in by the Subcommittee on Appropriations for Agriculture.

Mr. JENSEN. I thank the gentleman.

Mr. Chairman, again I say that this committee has a most difficult problem and duty to perform. In my opinion, no committee, regardless who comprises the membership, could do a better job than this committee has done through the years.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. DIXON].

Mr. DIXON. Mr. Chairman, first of all I desire to compliment the committee on drawing up a bill that I think is a good bill considering especially the complications confronting them. I wish to thank them for raising the appropriation for utilization research under Public Law 480 in an amount of about \$2.3 million; also for the fact that they have raised the utilization research appropriation locally \$2.3 million.

Personally I feel that utilization research is one of the best ways to unfreeze our farm surpluses and get them into industrial uses. At the present time only 7 percent of them go into industrial uses. Many more times that much could go into industrial uses. We could use our animal fats in plastics. We could use them in detergents and in so many things with a little more research. We could use our grain alcohol from corn and wheat, especially this corn that is wet that is bringing only about 68 cents a bushel; we could use that for alcohol and for the manufacture of rubber and for defense purposes. All those matters could be stepped up through an increase in appropriations.

Personally I should like to have seen the committee follow the budget recommendation and go \$2.5 million stronger for utilization research. I believe it would have been the best investment the committee could have made.

I notice in the committee report on page 3 that the farmers' share of the consumer's dollar has gone down from 47 percent in 1952 to only 40 percent in 1957. I believe that is a problem that should be given immediate attention and I am glad the committee inserted this table.

I should like to ask why the committee then turned around and took \$100,000 out of marketing research, where they enforce regulations against unfair trade practices which increase costs to the consumer. We have food chains that are crawling over under the USDA jurisdiction because they have a packing plant when the Federal Trade Commission breathes down their neck. By going over to the USDA they pretty much escape prosecution, because the USDA has not filed 1 cease-and-desist order in 19 years. Now we are cutting the USDA budget for enforcement. This reduces, not increases, the farmers' chances to receive more than 40 percent of the consumers' dollar.

If we want to reduce the spread between what the farmer gets and what the consumer pays, and cut down living costs, we should give more money instead of less to do the Marketing Service which has to do with this enforcement of unfair trade practices. The Marketing Service has not enough money even to post their stockyards yet, let alone supervise them.

In the third place, I appreciate the statement of the chairman of the committee in which he implies at least that the USDA might continue to supervise the new compulsory poultry inspection under the Marketing Service of the USDA. If that is the case, we will be very happy. I hope that this position will maintain because I do not believe that hearings have been held with the poultry people, the turkey raisers and processors, or the Department of Agriculture on this sudden switch, which might be interpreted to mean that the red meats or the research division, has supervision of the inspection of poultry. If that were the case it would be really a calamity, because the poultry people were united in wanting this compulsory inspection because the voluntary in-

spection program under the Marketing Service of USDA had proved so satisfactory.

The discussion that has just taken place on the floor, leads me to believe that the "broad powers" of USDA mentioned by the committee chairman include the power to continue poultry inspection under the Marketing Service. I oppose any shift of supervision of poultry inspection for reasons as follows:

I. THE POULTRY INDUSTRY DEMANDS THAT THE INSPECTION REMAIN WITH THE AGRICULTURAL MARKETING SERVICE

Major farm organizations, and especially the processors and growers, are upset and shocked because no hearings have been held nor testimonies given on transferring this service from the Marketing Service to the Agricultural Research Service. If hearings were held, I am sure there would be a storm of protests against the transfer.

Joseph O. Parker, legislative counsel of the Grange, stated in his testimony March 8, 1957:

The voluntary poultry inspection program administered by the Agricultural Marketing Service in the Department of Agriculture is manned by highly trained competent personnel with long experience in poultry. This record of poultry inspection experience and achievement which has been built up over the last quarter of a century is unequalled.

You will see from his testimony that the effectiveness of the voluntary inspection under the Agricultural Marketing Service was the chief reason why the Grange wanted the compulsory inspection under the same Service.

J. O. Kumpe, member of the board of directors and past president of the Southwestern Poultry Association, testified:

We favor compulsory inspection for wholesomeness of all poultry products, under the present Inspection and Grading Division of the Poultry Branch, Agricultural Marketing Service, USDA.

Matt Triggs, assistant legislative director of the American Farm Bureau Federation, when asked if he wanted the inspection under the Department of Agriculture as at present said:

By all means. . . . They (our members) have been satisfied with the voluntary inspection and its administration.

Reuben Johnson, assistant coordinator of legislative services for the National Farmers Union, said in his testimony March 6, 1957:

It seems largely the result of growing sentiment in this committee and in Congress for a poultry inspection law that the great majority of poultry processors now embrace the principle of mandatory Federal poultry inspection. We note that the Department of Agriculture has again this year spoken strongly for such a law.

Charles D. Hawks, general manager of the Arkansas Poultry Federation, in testifying for compulsory inspection by the Department of Agriculture said:

We are confident that the Secretary of Agriculture will utilize existing facilities with the same confidence our poultry industry has placed in them.

Herbert Beyers, Norbest Turkey Growers Association; Ralph Blackham, presi-

dent, Utah Poultry Council; H. M. Blackhurst, general manager, Utah Poultry Farmers Cooperative; Eldon Westenskow, president, Utah Turkey Federation, have all wired me strongly in protest of transferring poultry inspection to the Agriculture Research Service.

II. THIS SUGGESTED CHANGE IS SUDDEN AND DISRUPTIVE

The change came like a bolt out of the blue. While there was a suggestion at the hearing before the House Agricultural Committee that inspection should be placed under the Pure Food and Drug Act, there wasn't the slightest intimation in all the testimony I heard that it should be transferred to the Agriculture Research Service.

In testifying before the Senate committee yesterday, Secretary Benson said that while he took no firm position against the transfer, he did think that inasmuch as his Department of Marketing Service was now making the transfer from voluntary to compulsory inspection and would have to add 440 new plants by January 1, 1959, for the present at least, the inspection should be left where it is—with the Agricultural Marketing Service. The Department under the Reorganization Act already has the authority to take the transfer if and when that is advisable.

One high-ranking member of the Department told me that the Department already is enough involved and has enough "hay down" without having directives of this type added to their burdens.

III. COMPETITION BETWEEN RED MEATS AND POULTRY MAKE THE TRANSFER INADVISABLE

The poultry industry now ranks third in size among the branches of agriculture in production. Turkey consumption per individual has tripled since 1940 and the consumption of broilers and chickens has doubled.

This growing importance of poultry with its competition with red meats would justify an inspection service by itself. Poultry raisers in their alarm tell me that the poultry inspection could be made a stepchild of the red meat industry, which, according to the testimony of our own Agricultural Appropriations Subcommittee chairman, the gentleman from Mississippi [Mr. WHITTEN], has a terrific, powerful lobby. Our producers say that the power of the lobby could grind their processors under its heel and absolutely ruin their industry.

IV. THE AMOUNT OF MONEY TO BE SAVED IS QUESTIONABLE

The Agricultural Marketing Service already uses the meat inspection branch inspectors in 60 plants. They are cross-using inspectors as far as possible and wherever it can be done. Their inspectors are now overworked and going at full speed ahead; in fact, they need many more people than they have.

In summary, then, I appeal to our great Committee on Appropriations to give thoughtful consideration in conference that they favor leaving the administration of compulsory inspection of poultry where it is, namely, in the Agricultural Marketing Service, for the present at least.

My reasons are: First, the poultry industry demands that the inspection remain with the Agricultural Marketing Service.

Second, the change is sudden and disruptive.

Third, competition between red meats and poultry make the transfer inadvisable.

Fourth, the amount of money to be saved is questionable.

Fifth, the disruptive change is unjustified at this time when 450 plants are ready to go under compulsory inspection between May and June and over 800 must all be under Federal compulsory inspection by January 1, 1959.

In my opinion, it would be far better to let the Department work out its problem than to bring about further confusion by forcing a sudden, disruptive change upon it.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Idaho [Mr. BUDGE].

Mr. BUDGE. Mr. Chairman, the Committee on Appropriations in its report on this measure and in the hearings has failed to give credit to the President for his constructive proposals for the future financing of the rural electrification program.

The President in his budget message spoke of the growing capacity and heavier transmission and distribution facility needs and said:

It would be in the public interest to broaden the sources of capital from which the REA system may obtain the financing necessary for continued growth and adequate services to consumers.

The President was prompted to make these recommendations because of the changing characteristics of rural areas; the large amounts of new capital that will be needed by the system to meet the future electric and telephone requirements; the growing internal soundness of borrower operations; and the demands on the Federal Treasury for national security and defense requirements.

The administration has proposed legislation that will make it possible for REA borrowers to obtain credit from private sources as well as directly from the Federal Government. It is essential that the credit base for the rural electric and telephone system be broadened to provide for their continued growth and adequate service to consumers. It is estimated that capital funds needed to finance the growing demand for electric power in rural areas during the next generation will exceed the \$3½ billion loaned by the Federal Government to REA borrowers during their first 22 years of operation.

The magnitude of these requirements and the urgency of meeting national security and defense needs made it imperative to find an adequate source of funds for REA loans other than the Federal Treasury.

The objective of bringing central station electric services to rural areas envisaged when the law was passed 22 years ago has been 95 percent realized. The characteristics of rural areas have changed substantially through the de-

search Service which I mentioned a few minutes ago.

I would appreciate it if you would include here as part of my statement my letter of January 8 to Mr. Byron T. Shaw, Administrator of the Agricultural Research Service, and the reply which I received, dated January 28, from Acting Administrator, M. R. Clarkson.

This exchange of correspondence follows:

HOUSE OF REPRESENTATIVES,
Washington, D. C., January 8, 1958.

Mr. BYRON T. SHAW,
Administrator, Agricultural Research
Service, Department of Agriculture,
Washington, D. C.

DEAR MR. SHAW: As a result of my efforts in behalf of more effective meat-inspection programs, I have been hearing more and more frequently from people engaged in this work on the Federal, State, and local levels and, of course, what these complaints usually come down to is the old, old problem of insufficient funds for proper enforcement work. I know the meat inspection branch, for instance, is working under handicaps right now for that same reason.

Recently, however, I was advised of one case where an inspector assigned to a comparatively small plant was forced to work completely on his own, with no professional or lay assistant, and I wonder how widespread this practice is.

As this particular case was described to me: "With just one veterinary inspector and no lay help, the ante mortem starts 1 hour before the kill begins. Then there is 8 or 9 hours of inspection work on the line itself. On the line means just that, with no spell outs, no sitting down at any time, no rest period. This means the inspector cannot check the loading operations, or do any ante mortem on new hogs that come in all during the day. Just suppose an anthrax hog were to be sent down the line and not caught until it reached the inspector on the line. The 10-minute breaks twice daily and the 30-minute lunch time are used to hurriedly check a thousand and one things that must be seen to, such as the tanks. Discounting the fact that it is just too much work for one man, we still have the fact that it is physically impossible for him to be in more than one place at the same time. The plant is not getting the inspection service it should be able to expect. I don't know how many plants there are where this problem exists, but I do know that we are rather desperate about it here."

I would very much appreciate your comments on these points, with particular reference to how widespread this kind of workload is. Does the budget prevent your correcting this matter or is it lack of trained personnel? If the budget is the main factor, are you asking for a supplemental appropriation? Does the new budget provide sufficient funds to prevent this kind of overload on your inspectors?

I hope you realize, my interest in this is to try to help correct what appears to me from this case I cited to be a terribly bad situation, both for your inspectors and also for the public.

With best wishes, I am,
Sincerely yours,

LEONOR K. (Mrs. JOHN B.) SULLIVAN,
Member of Congress, Third District,
Missouri.

UNITED STATES

DEPARTMENT OF AGRICULTURE,
AGRICULTURAL RESEARCH SERVICE,
Washington, D. C., January 28, 1958.

Hon. LEONOR K. SULLIVAN,
House of Representatives.

DEAR CONGRESSWOMAN SULLIVAN: Thank you for your interest and concern in behalf of a more effective Federal meat-inspection program as expressed to us in your letter of January 8.

As of December 31, 1957, demands for inspection reached a new high, with our Meat Inspection Division serving 1,270 establishments in 506 cities and towns. This is an increase of almost 20 percent, when compared with the number of establishments serviced as of June 1954. Of this number there are approximately 193 meatpacking plants where slaughtering is performed, and only 1 inspector is assigned.

The conditions described in your example of the single inspector assigned to a small plant where slaughter operations are conducted illustrate one of the most difficult situations with which we are confronted in attempting to provide the kind of inspection service that is needed. In order for the one inspector to provide the essential service, such as you outlined in your letter, it is necessary for him to hold up operations on the killing floor while making antemortem inspection and giving necessary supervision to other operations.

At larger plants it is possible for a given inspection force to adjust to meet variations in volume of kill within a fairly wide range. It is much more difficult, however, to adjust to meet the increased workload that results from an increase in the number of plants requiring inspection. Only by the skilled application of the best principles of personnel utilization is it possible to meet our growing obligations to the public, and, of course, our obligations to the inspectors.

The 1959 budget estimates include an increase of \$500,000 to help meet the increased workload in meat inspection.

We appreciate the interest you have shown in this matter. You may be assured that we are making every effort to carry out as effectively as possible our responsibilities under the Meat Inspection Act. We could not operate as effectively as we do without the fine spirit of cooperation and devotion to duty of our inspection force.

Sincerely yours,

M. R. CLARKSON,
Acting Administrator.

(Mrs. SULLIVAN asked and was given permission to revise and extend her remarks.)

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Arkansas [Mr. TRIMBLE].

Mr. TRIMBLE. Mr. Chairman, I am disturbed by the action putting all meat and poultry inspection in the same fund. Legislation was passed last year allowing the poultry industry to have an inspection service of its own, as distinguished from the so-called red-meat industry. My fear is that those skilled in inspection of red meats will not be completely equipped to properly inspect the poultry industry. The same would apply to those skilled in the Poultry Inspection Service were they required to inspect in the red-meat area. Poultry has developed into one of the major farm industries of our country. I hope when the bill goes to conference the language can be classified to more clearly indicate protections which the poultry industry now fears is not clear in this bill.

I wish to express my appreciation to the committee for the overall great job which they have done on this bill.

(Mr. TRIMBLE asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. BECKWORTH].

Mr. BECKWORTH. Mr. Chairman, many people of the east Texas area are

quite concerned with the provision in this bill, H. R. 11767, which deals with meat inspection, as has been evidenced by the questions which have been asked today and the comments which have been made.

People who look to the land for a living in east Texas—a family-size farming area—have been having considerable financial difficulty for a number of years. In my home county of Upshur, the number of cotton allotments in 1950 was 1,577; in 1955, the number was 594. Some of the cotton allotment figures pertaining to other counties in east Texas follow:

Wood:	Allotments
1950.....	1,904
1955.....	752
Smith:	
1950.....	2,695
1955.....	1,467
Shelby:	
1950.....	2,482
1955.....	1,344
Rusk:	
1950.....	2,967
1955.....	1,816
Panola:	
1950.....	1,969
1955.....	1,242
Gregg:	
1950.....	417
1955.....	241
Van Zandt:	
1950.....	2,601
1955.....	1,752
Camp:	
1950.....	1,091
1955.....	403

It is obvious the number of cotton allotments has greatly decreased. The same thing is true in another one of our price-supported crops, namely, peanuts. When many of our people were compelled to give up the growing of cotton and peanuts, they began businesses of growing broilers. As a result of much effort and hard work, at times this business has progressed in a rather satisfactory manner.

Last fall when I was at home, I visited all of the counties in our area and frequently found there was considerable worry because of the low price of broilers. When I returned to Washington, I immediately reported that which I had found to the United States Department of Agriculture, January 6, 1958.

When the poultry inspection bill was passed, according to my information, it was the understanding of the broiler people that their operations would be inspected by a setup not tied in with the red-meat inspection division of the Department of Agriculture. In the last few days much concern has been expressed to me by people interested in the welfare of the broiler industry in connection with the possibility that the broiler industry under the language of the present agricultural appropriations bill, will become a part of the red-meat inspection division of the United States Agriculture Department. Our people do not want this, I am told. They prefer that poultry be in a class of inspection to itself. It is my hope that the statements concerning poultry inspection made by the chairman of the subcommittee today will clarify the position of the Appropriations Committee so that the position of the Appropriations Commit-

tee will be in harmony with the House Committee on Agriculture and the Poultry Subcommittee of that committee of which Representative WATTS, of Kentucky was and is the chairman—the very subcommittee that wrote the Poultry Inspection Act.

It is very necessary to our area that the poultry industry be prosperous. Money has been loaned to this industry by local banks and credit has been extended to this industry by local businesses. I thrust the Agricultural Subcommittee of the Appropriations Committee will make every effort to be sure that the poultry industry is not placed at a disadvantage with any other meat industry.

I include at this point a letter written to me by Mr. Don Paarlberg, of the United States Department of Agriculture, January 28, 1958:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., January 21, 1958.

HON. LINDLEY BECKWORTH,
House of Representatives.

DEAR CONGRESSMAN BECKWORTH: The broiler industry, about which you inquire in your letter of January 6, has increased output for the United States as a whole several-fold, just in the last decade. The increase has been so rapid that even with record consumer incomes, prices has declined to relatively low levels. In view of the large supplies of feeds at relatively low prices and the institutional nature of the broiler industry, our analysts foresee little likelihood of any increase in average broiler prices for 1958, as compared with the past 2 years.

In the past decade or so, the broiler industry has adopted several novel techniques for conducting business among the different functional agencies involved. A number of these are described in an enclosed publication, *A Summary of Selected Recent Studies on Broiler Financing and Contracting*. Moreover, as you are aware, tremendous improvements have been made in poultry feeds so that the quantity of feed required per pound of gain has been substantially reduced. These two developments, underway simultaneously, account for the continued expansion in broiler output, despite prices which seem relatively low by earlier standards.

Under the very highly competitive conditions which now prevail in the broiler industry, the price of broilers is not likely to show the margin above costs per pound that has been shown in some earlier years. The average scale of broiler-producing operations now, of course, is much above that of the past.

The prevailing situation and 1958 outlook for broilers is discussed in some detail in the *Poultry and Egg Situation* issued last November. A copy is enclosed. In this report, as well as in the above paragraphs, the discussion is presented mostly in terms of United States averages and totals. Unfortunately, we do not have detailed data for parts of States. However, prices move more or less similarly in all of the commercial broiler areas of the United States.

Sincerely yours,

DON PAARLBERG.

(Mr. BECKWORTH asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, the Subcommittee on Agriculture of the Appropriations Committee again brings to

the floor of the House for your approval the annual appropriation bill for the Department of Agriculture.

It is an honor to be a member of the Subcommittee on Agricultural Appropriations and to serve with our able chairman, the distinguished gentleman from Mississippi [Mr. WHITTEN]. It is a pleasure serving with the other members of this subcommittee.

We are fortunate to have as our executive secretary, Ross P. Pope.

BUDGET FOR FISCAL YEAR 1959

The budget for fiscal year 1959 calls for expenditures totaling some \$73,900,000,000. The requests of the Department of Agriculture and related agencies represent 6.7 percent of the entire budget for fiscal year 1959. After deducting loan authorizations and restoration of capital impairment for the Commodity Credit Corporation, we find that Agriculture receives only some 4.8 percent.

We know full well that annual appropriations for Agriculture certainly do not solve all problems confronting our farmers today. In order to be successful we must permit our farmers to farm.

REGULAR ACTIVITIES

This bill provides an annual appropriation of \$1,456,588,653 for regular activities of the Department of Agriculture. This is \$152,390,195 less than the \$1,608,978,848 approved for fiscal year 1958. We recommend \$1,760,399,886 for corporations. This particular amount is to restore capital impairment of the Commodity Credit Corporation through June 30, 1957 under price support and related activities. Of this amount only \$739,606,640 represents losses on commodities handled and the balance of \$1,020,793,246 is for storage, handling, transportation, administration and interest costs paid to individuals and companies other than agricultural producers. For research we recommend \$58,444,890. This is \$650,000 more than the amount appropriated for fiscal year 1958. For plant and animal disease and pest control we suggest a total appropriation of \$41,732,000; for meat inspection \$24,326,000. We recommend appropriations for State experiment stations totaling \$30,603,708, with this being the same amount appropriated for 1958.

For Marketing Research and Agriculture Estimates we recommend an appropriation of \$14,095,000. For Marketing Service we recommend \$14,097,000. For our school-lunch program we recommend \$100 million which is the same amount appropriated for 1958 and in addition to this amount our bill contains language transferring \$55 million to this appropriation from section 32 funds for purchase and distribution of additional agriculture commodities for school-lunch use. We recommend \$580 million for the Soil Bank programs, with \$250 million of this amount going to the conservation reserve, and \$330 million to the acreage reserve portion of the Soil Bank. The acreage reserve section, of course, expires at the close of the year 1958. We recommend an appropriation totaling \$128,615,000 for Soil Conservation Service. This is an increase of \$7

million over the amount appropriated for fiscal year 1958. We recommend \$50,715,000 for payments to the States and Hawaii, Alaska, and Puerto Rico for our Extension Service. This amount added to the \$5,479,375 set up for retirement costs for extension agents, \$1,868,480 for penalty mail and \$2,096,540 for Federal Extension Service makes a total of \$60,159,395 for our Extension Service. We recommend \$235 million for our Agricultural Conservation Program Service and the proposal from the Bureau of the Budget reducing the advance 1959 program authorization from the \$250 million level which has been in effect since the year 1955 to \$125 million for the coming year was refused. Our committee has restored the full \$250 million program for 1959 and we recommend approval of this action by the Members of the House.

In our Second Supplemental Appropriation Act of 1958 amounts totaling \$1,745,631,868 were approved for special activities.

LOAN AUTHORIZATION

We recommend loan authorizations totaling \$569,500,000 for the Rural Electrification Administration and Farmers Home Administration. This is an increase of \$121 million over the 1958 authorizations.

PROBLEMS CONFRONTING AGRICULTURE

Agriculture must be viewed in the terms of the entire national economy and especially in relation to the other major segments such as labor, business, and industry.

The net income of the farmer today is approximately \$11½ billion, and farm mortgage debt outstanding on January 1, 1958, amounted to \$10,600,000,000. Agriculture is undergoing a cost-price squeeze, and every effort should be made to see that the interest of our farmers is fully protected.

Agriculture generally will become more important as our population increases. In the continental United States we have 1,009,000,000 acres of land. Of this amount 409 million is in cropland; 700 million in nonforested pasture and grassland; 606 million in forest and woodland; and 189 million acres in desert or devoted to towns, cities, and other restricted nonagriculture uses. We are blest with an inheritance of fertile lands. We know that our cropland potential is limited, and before too many years pass, our population increase will overtake and pass the slow expansion of agricultural production today. Growing cities, airport runways and better roads are taking over a million acres or more of cultivatable land each year.

Today 96 percent of our farms are family operations and this is about the same condition that has existed for 25 years. Farms today are 39 percent larger than they were in 1940, and the total investment per farm has increased from \$6,100 to \$27,000 in 17 years. The investment in machinery is about 8 times as great as it was in 1940 and the number of motor vehicles has increased nearly 3 times during the same period.

NEED FOR RESEARCH, MARKETING, AND UTILIZATION PROGRAMS

Our present-day farm problems are tremendously complex and there is no easy answer. The great scientific revolution taking place today in the field of research must take into consideration agriculture. In order to protect agriculture we must continue our research, marketing and utilization programs.

Our surplus accumulated as the result of under consumption rather than overproduction. New markets and new uses are now necessary for our agricultural products.

Living as we are today in the atomic age and with the secrets of outer space soon to be common knowledge, legislation should be immediately enacted providing for the setting aside and storage of a large portion of our storable surplus commodities for use in case of emergencies. This action should no longer be delayed.

AGRICULTURE CONSERVATION PROGRAM

Our agriculture conservation program serves 1,258,000 farmers and 1,210,347 farms and ranches. This program has been in existence for over 20 years and has many achievements to its credit. Budget requests sent to our committee authorized \$125 million for the Government's share of conservation payments for 1959. This is \$125 million less than the amount authorized for 1958. Notwithstanding the great service accomplished by this program and the number participating we are called upon to reduce conservation payments by 50 percent.

Just by way of comparison, the conservation reserve section of the Soil Bank serves less than 100,000 farmers. Here we are requested to appropriate \$350 million for fiscal year 1959. This is an increase of \$187,060,000 over the amount appropriated for 1958. We certainly could not recommend to this committee that we reduce ACP payments one-half and increase conservation reserve section of the Soil Bank in the amount requested. In Kentucky we only have 688 participants in the conservation reserve program for 1957. Every State participates in the ACP program, but this does not apply to the conservation reserve section of the Soil Bank. Appropriating money for these two particular departments in the amounts requested by the Department of Agriculture is neither sound nor proper at the present time.

We recommend authorization of \$250 million for ACP program payments for 1959 and \$250 million for conservation reserve for 1959. In addition we recommend \$235 million for the regular agricultural conservation program service.

SOIL CONSERVATION SERVICE

We must continue our soil and water conservation practices. Next to our children, our greatest asset is water.

Conserving our soil and water resources is one of the main problems confronting our Soil Conservation Service. My home State of Kentucky has benefited as much from this service as any State in the Union. In Kentucky we have 122 soil conservation districts and 85,495 farmers participating.

Scientific advancements naturally must depend upon our total physical and economic strength.

It is imperative that we use and conserve our natural resources in the proper manner. The first soil conservation district was organized over 20 years ago. Today over 90 percent of our farms and ranchlands are within the boundaries of self-governing local units. Today we have over 2,770 soil conservation districts operating in every State and Territory of our Nation. This is a splendid example of successful Federal, State, and local cooperation. Among the services rendered by our Soil Conservation Service is technical assistance furnished in soil and water conservation work on individual farms and ranches; assistance to the 11 watersheds authorized for flood prevention work; demonstration of the value of watershed treatment measures on 55 pilot watershed projects; cooperation with local organizations and watershed protection and flood prevention projects as authorized under Public Law 566 and technical aid on soil and water conservation problems in the agricultural conservation program, the Soil Bank, soil and water conservation loan program of the Farmers' Home Administration, and rural development programs.

For fiscal year 1959 the Department of Agriculture requested \$72,280,000 for conservation operations; \$14 million for watershed protection; \$13,220,000 for flood prevention; \$335,000 for water conservation and utilization projects, and \$10 million for the Great Plains conservation program. This makes a total of \$109,835,000, and this amount is \$11,780,000 less than the amount appropriated for 1958. During the hearings we carefully analyzed the Soil Conservation Service request and clearly indicated our disapproval of the amounts requested. A few days later, on March 12, amendments were received from the Bureau of the Budget increasing watershed protection from \$14 million to \$24 million and flood prevention from \$13,220,000 to \$17,220,000. Again we reviewed the Soil Conservation Service requests and we recommended \$74,780,000 for conservation operations—an increase of \$2,500,000; for watershed protection \$25,500,000—an increase of \$1,500,000; \$18 million for flood prevention; \$335,000 for water conservation and utilization projects; and \$10 million for the Great Plains conservation program which makes an overall total for Soil Conservation Service of \$128,615,000. This is \$7 million more than the amount appropriated for 1958.

The increase recommended by this committee will insure sufficient technicians to staff existing districts properly, and provide technical assistance to new districts as they are established.

RURAL ELECTRIFICATION ADMINISTRATION

REA is one of the great achievements of our present-day Government. Today 95 percent of our farmers have electrical service, and there are nearly 5 million consumers in the United States. Every county in my district is served by REA and the first REA loan obtained in Kentucky was obtained by the Henderson-Union Rural Electric Cooperative Cor-

poration. We have heard much discussion during the past few months concerning proposed legislation to increase interest rates for REA loans and provisions for private loans in addition to Government loans. There is a place in this country for both private and public power and under no circumstances should we destroy our rural electrification program.

Loan authorizations requested by the Department for 1959 for rural electrification amounted to \$150 million and the sum of \$56 million was requested for rural telephone service. Our hearings developed the fact that loan authorization requests for fiscal year 1959 would total approximately \$300 million and that the request for \$150 million was hinged on the fact that legislation would be introduced and passed providing for the balance necessary for REA loans for fiscal year 1959.

Realizing the seriousness of the present situation and keeping in mind that the sure way to destroy REA is to increase interest rates and to make loans more difficult to secure, we recommend loan authorization for Rural Electrification Administration loans for fiscal year 1959 in the sum of \$300 million; for rural telephone loans in the sum of \$60 million and further recommend a contingency fund of \$25 million for each program.

SCHOOL-LUNCH PROGRAM

Ten million eight hundred and thirty-one thousand two hundred and fifty elementary- and secondary-school children participated in the school lunch program in our States and Territories during fiscal year 1957. Fifty-seven thousand five hundred and fifty-five elementary and secondary schools participated. We have 36,656,246 children enrolled in our elementary and secondary schools and the total participation in the school lunch program amounted to 29.5 percent.

In 1957 we had 654,784 children in the elementary and secondary schools in Kentucky and 284,055 participated in the school-lunch program for a percentage of 43.4 percent. The total number participating shows the importance of this program to my home State of Kentucky. We had 1,346 elementary and secondary schools participating. For 1958 we will receive \$2,327,207 in Kentucky.

Our school-lunch program has made a vital contribution to the correction of nutritional deficiencies. Every dollar spent in the school-lunch program helps the farmer, the food processor, the vendor, and the child.

Many essential items used in the 1957 school-lunch program such as frozen hamburger meat, frozen turkeys, lard pork and gravy in cans, lunch meat, canned ham, fresh cabbage, and pinto beans are not in the 1958 program. For the present school year only a small amount of fresh cabbage and pinto beans were received. In order to correct this matter we recommend an appropriation of \$100 million for the school-lunch program and in addition we recommend authorization of use of section 32 funds totaling \$55 million for the school-lunch program.

NEED FOR A SOIL AND WATER CONSERVATION RESEARCH LABORATORY IN KENTUCKY

Soil erosion is a particularly serious problem to a majority of Kentucky's 193,000 farms. The high percentage of sloping lands, the erosive nature of many of the soils, and the character of the rainstorms create an erosion problem which is more serious than is encountered over much of the Nation. Drought, poor drainage, and rapid runoff cause control problems of critical importance in my home State. Kentucky is 1 of only 2 of the larger States in the entire humid region which does not have federally supported cooperative soil and water conservation investigations. A soil and water conservation research facility should be established in Kentucky as soon as possible. Such a research laboratory for soil and water conservation in Kentucky could serve the following land resources areas: First, the Cumberland Plateau section of the Alleghenies extending into southern Ohio and southwestern Virginia; second, the Kentucky Bluegrass and Nashville Basin area; third, Highland Rim Knob and associated limestone areas; fourth, western Kentucky, southern Indiana, and the sandstone and shale area. The research needs reports prepared annually by the Soil Conservation Service in Kentucky and adjoining States set forth many common problems. Technicians in these States incorporate their recommendations, and research areas which cross State lines use information from all available sources.

EXTENSION SERVICE

Our Federal Extension Service has been in existence for over 43 years. In order to pass along to our people the results of our research, new achievements in the location of new markets, and additional utilization of our agricultural commodities, we must maintain and strengthen our Extension Service. We recommend the sum of \$50,715,000 for payments to the States, Hawaii, Alaska, and Puerto Rico; \$5,479,375 for retirement costs for Extension agents; \$1,868,480 for penalty mail; \$2,096,540 for Federal Extension Service. The total amount recommended for Extension Service is \$60,159,395.

For 1958 Kentucky received \$1,721,368 and will receive the same amount for the fiscal year 1959. Total amount received by Kentucky from Federal funds for Extension Service, Agricultural Marketing Act, Smith-Lever Act as amended, and amount from the State makes a total for use in extension work of \$3,113,884.82.

RURAL DEVELOPMENT PROGRAM

The rural development program is proving successful in Kentucky. Butler, Metcalfe and Elliott are the rural development counties. In Butler in the Second Congressional District we have a reawakening of civic pride and a new spirit of cooperation. A more wholesome environment for rural youth is being fostered by the program and this county was the first rural development county in Kentucky to complete its drive to raise funds for a health center.

COUNTY AND HOME DEMONSTRATION AGENTS

County and home demonstration agents are the men and women who are directly responsible for carrying agricultural information to our farm people. Their salaries have never been high, and in my opinion, some are entirely too low today. The average annual salary of county extension agents for the United States is \$6,581 and average home demonstration agents' salary is \$5,337. The average salary in my home State of Kentucky is \$5,714 for county agents and for home demonstration agents is \$4,686. Our agents received a slight increase during the past year, but the salaries in Kentucky are still too low.

EXPERIMENT STATIONS

We recommend a total of \$30,603,708 for State experiment stations. Kentucky received \$803,475.25 in Federal funds for the experiment station at the University of Kentucky during fiscal year 1957 and this amount together with non-Federal funds made a total of \$2,072,615.61.

CONCLUSION

Agriculture must prosper if the Nation is to prosper, and the American farmer has the right to demand a standard of living in keeping with the contribution he makes to the national economy. We must permit our farmer to farm if he is to be successful. As a prosperous people it is almost an impossibility to legislate scarcity of any kind.

Mr. Chairman, our committee recommends this bill to the Members of the House.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield.

Mr. NICHOLSON. Why is it that in Rural Electrification this year the appropriation is double what it was before?

Mr. NATCHER. I say to the gentleman from Massachusetts it is for this reason: The Department of Agriculture made a request for \$150 million for REA loans for the fiscal year 1959. In testifying before our committee they made it clear that it was hinged on one thing and that was passage of a bill that would provide loans from private interests as well as from the REA. The request that the Department of Agriculture made to the Bureau of the Budget was for over \$200 million. One hundred and fifty million dollars was allowed by the Bureau of the Budget, but they realized that it would take at least \$150 million more for loans for fiscal year 1959.

Mr. NICHOLSON. Would the gentleman tell us about how much Rural Electrification owes the Federal Government now?

Mr. NATCHER. The total amount is something over \$3 billion. I say to the gentleman from Massachusetts that the sure way to destroy REA is to increase interest rates and make loans more difficult to secure. REA has been a true friend of our farmer and it has made his life more enjoyable and also that of his wife and family. Just think of the changes on our farms since 1935. There is a place in this country for both private and public power.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield.

Mr. HORAN. The record should show that it is a very small proportion, a mere fraction of 1 percent of the total amount of the loans that are in arrears. It is a pretty good investment when repayments are in such good order.

Mr. NATCHER. I thank the gentleman for that comment.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield.

Mr. H. CARL ANDERSEN. In response to the gentleman from Massachusetts [Mr. NICHOLSON], it should be pointed out that this is not a direct appropriation but it is a loan authorization, and as the gentleman from Washington [Mr. HORAN] so well stated, practically all of this money will return to the Treasury, plus interest at 2 percent.

Mr. NATCHER. The gentleman is correct and I thank him for his comment.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

(Mr. NATCHER asked and was granted permission to revise and extend his remarks.)

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent that the gentleman from Utah [Mr. DIXON] may revise and extend the remarks he made recently.

The CHAIRMAN. Is there objection? There was no objection.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may require to the gentleman from Georgia [Mr. LANDRUM].

Mr. LANDRUM. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made recently in colloquy with the gentleman from Mississippi.

The CHAIRMAN. Is there objection? There was no objection.

Mr. WHITTEN. Mr. Chairman, I yield to the gentleman from Alabama [Mr. ELLIOTT] such time as he may desire.

(Mr. ELLIOTT asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ELLIOTT. Mr. Chairman, I rise in support of H. R. 11767, making appropriations for the Department of Agriculture and the Farm Credit Administration for the next fiscal year.

I find myself in agreement with most of the things the committee has done in this bill. The Subcommittee on Agricultural Appropriations is regarded by and large as one of the most able subcommittees of the entire Congress.

I represent an agricultural area. I don't mind saying that generally I feel at ease about the interests of agriculture in the hands of the chairman, Mr. WHITTEN, and the members of his subcommittee.

I am particularly pleased that the item for watershed protection is fixed at \$25.5 million. As I understand it, this amount will provide for continuation of work on the 100 watershed projects now underway and will permit the initiation of 108 new projects during the fiscal year 1959.

I am particularly happy that the committee has restored the full \$250 million

for the agricultural conservation program. This is a great program. I am glad the committee rejected the suggestion of the Bureau of the Budget that this sum be reduced to \$125 million.

I am also happy that the committee recommends the full budget estimate of \$6,376,700 for administration of the Federal Crop Insurance Corporation for the year 1959. This program has developed slowly over the past 9 or 10 years, but appears to be sound. It offers to farmers protection from losses caused by unavoidable natural hazards, such as insect damage, plant disease, fire, drought, flood, wind, and other weather conditions.

I am also pleased that the committee has recommended \$300 million for electrification loans and \$60 million for telephone loans by the REA.

In addition, it has provided for a contingency fund for \$25 million for each program, if needed. This action was taken in the face of an administration proposal that \$150 million be appropriated for Rural Electrification Administration loans and \$56 million for rural telephone loans.

The administration wants the local REA cooperatives to obtain a portion of their loan funds in the next fiscal year, and thereafter, by borrowing from private sources. Under the terms of this proposal, the operating cost of the REA cooperatives would, of course, be increased through a substantial increase in interest rates.

The REA co-ops today own approximately \$3.6 billion of assets. The Government, as a result of its REA loans to these co-ops, has a first mortgage on these assets. As I see it, the administration's proposal would raise the cost of borrowing money, and therefore, the cost of doing business of these REA co-ops, and might very well result in an impairment of the security which the Government now has for the money it has loaned.

The record of REA speaks for itself. It spearheaded the bringing of electric power to rural America. The co-ops have a wonderful repayment record. Actually, the co-ops, taken altogether, are ahead of the repayment schedules set for them. They have been successful. They are successful.

There is another side to this problem, Mr. Chairman. The taxpayers' money has been used to establish the REA program, and build it to its present level of operations. I, for one, feel that the Congress is not authorized to do anything that would impair the security which the taxpayers in effect now hold for their advances to REA.

I am also pleased by the fact that the committee has recommended an increase of \$34.5 million over the administration's proposal for the lending programs of the Farmers Home Administration. The amount recommended by the Committee includes \$24 million for farm ownership and farm housing loans, \$180 million for production and subsistence loans for farmers, \$5.5 million for soil and water conservation loans.

There is, Mr. Chairman, another item in this bill, about which I have had grave

doubts. You will note that on page 3 of the bill, there is carried \$24,326,000 for meat inspection. The bill specifically reads "for carrying out the provisions of laws relating to Federal inspection of meat, meat-food products, and poultry, \$24,326,000." This is under the Agricultural Research Service. The committee report left great doubt in my mind when I read on page 16 that—

The committee recommends the consolidation of the regular Meat Inspection Service with the new inspection service for poultry and poultry products. * * * The merging of the two services should result in greater efficiency and in additional flexibility needed to meet peak workload periods.

Some of the doubts which I have held about this matter have been resolved by the statement of the gentleman from Mississippi [Mr. WHITTEN], chairman of the subcommittee, which he read into the RECORD. Further clarification has come from the questions propounded by the gentleman from Kentucky [Mr. WATTS] and by the gentleman from Georgia [Mr. LANDRUM] and the answers thereto by the chairman.

I want to make clear many of the poultry people of Alabama are disturbed about this bill. Poultry inspection is now being carried on by the Agricultural Marketing Service. It was understood when we passed the poultry inspection bill last year that its administration would be in the Agricultural Marketing Service. The Agricultural Marketing Service has made detailed preparation for industrywide poultry inspection. It has held meetings over the country to acquaint poultry industry people with inspection and what is required of them. It has issued regulations under which the inspection will be carried on, and processors and others concerned are now familiar with those regulations. Processors are having to spend millions of dollars to adjust their plants for inspection. Many are building entirely new plants.

The poultry inspection bill must be allowed to become operative and must be allowed to become effective. The American people are entitled to a poultry product that has been inspected for wholesomeness. Poultry inspection, at least at this date, should not be tied to the red-meat inspection. I say to you fairly, Mr. Chairman, that there are great doubts in my mind as to whether or not red-meat inspection services and poultry inspection services can ever be combined.

In the first place, the two products are different. The laws pertaining to them require different methods of inspection. They are competitive products in the market place. Poultrymen want to have their own inspection service. They have a lot at stake.

I am entirely in agreement with the desires of the committee to effect such economies as may be possible in the inspection service, and indeed in all appropriations, whether in agriculture or not. However, I do want the record to show that there now exists some doubt in many minds of poultry people about this bill as it relates to the inspection of poultry and poultry products.

I am concerned about this matter because I am privileged to represent a district which produced 47 million broilers last year. Growing broilers has become an integral part of the economy of the rural area in which I live. I am anxious to see the industry have the complete benefits of an adequate inspection service, as envisioned by the law which we passed last year.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. O'HARA].

(Mr. O'HARA of Illinois asked and was given permission to revise and extend his remarks.)

Mr. O'HARA of Illinois. Mr. Chairman, in any legislation that affects the health of people I, with my colleagues on both sides of the aisle, take an especially deep interest. Mine is not an agricultural district. All of the Second District of Illinois is in the city of Chicago; but the city and the farm are closely related and we in the city never forget that if things go wrong on the farm the harm sooner or later will come to the city and vice versa. I congratulate and commend the committee for bringing before us a measure that reflects the dedicated work of men of understanding and of vision.

It is to one provision of the bill, however, that I would address my remarks. This is the provision that covers the realm of intimately personal concern of my constituents. It is the appropriation for meat inspection, and the reason of the interest of my constituents is that this affects their health and the health of their children.

I am old enough to remember the period when there was no meat inspection. I well remember the articles by Miss Tarbell in McClure's magazine a half a century ago that shocked the Nation and stirred the Congress to the creation of the meat-inspection program. The fact is, Mr. Chairman, that unless there is constant and adequate inspection of meat, disease can strike at any home and create the source for a devastating plague. Everyone who has traveled in other lands where there is no such meat inspection as we have in the United States knows how very true is this statement. The last thing in the world that we should do, having concern for the health and welfare of our people, is to let down the bars, even slightly, in this matter of meat inspection.

Mr. Chairman, frankly I am concerned when I receive letters similar to that written me jointly by Thomas L. Lloyd, president, and Patrick E. Gorman, secretary-treasurer of the Amalgamated Meat Cutters and Butcher Workmen of North America, an affiliate of AFL-CIO. These gentlemen are in position to know whereof they speak. Permit me to quote from their letter:

The meat-inspection program is in the greatest crisis of its half century existence because its inspection force has steadily been decreasing while its workload has increased. The budget estimate submitted by the administration for meat inspection for fiscal year 1959, is, unfortunately, completely inadequate. It would not permit the hiring of the necessary additional inspectors. * * * \$19,202,184 is actually necessary. * * * The health and economic welfare of consumers,

farmers, packinghouse workers, and meat-packing industry are at stake.

Enclosed in the letter from Mr. Lloyd and Mr. Gorman is a statement signed by them jointly with representatives of the American National Cattlemen's Association, American Meat Institute, the National Farmers Union, the National Grange, National Independent Meat Packers Association, United States Livestock Sanitary Association, and the Western States Meat Packers Association. I read this statement in full:

The meat-inspection program is now in the greatest crisis of its half century existence. This Federal service, which has earned the respect of every group in American life for its steadfast and effective protection of the consumer and livestock producers, is already unable to fulfill its job and is in danger of deteriorating further.

In recent years, appropriations have not kept pace with the increase in the Meat Inspection Division's workload, which rose with continuing increases in the number of animals slaughtered and the decentralization of the meat industry. The division has shifted its employees back and forth; borrowed veterinarians from other sections of the Department of Agriculture and taken other temporary expedients to meet the severe shortage of inspectors.

But now this system of patchwork is reaching the breaking point. * * * The consequences are serious. They are a definite threat to consumer protection * * *.

Actually, the division needs an increase of 412 inspectors. This is apparent from the following: In fiscal year 1957, the division had 3,023 employees. For fiscal year 1958, it demonstrated the need for 192 more employees, but funds were not made available. In fiscal year 1959, another 3 percent increase in meat plants needing inspection is expected and a 1.5 percent increase in inspectors, or 48 additional inspectors, will be required. The Meat Inspection Division, in order to carry out its functions adequately, must have 3,263 inspectors. But the division will have only 2,851 inspectors on July 1, 1958. The Meat Inspection Division, therefore, needs an appropriation for fiscal year 1959, of \$19,202,184, not of \$17,326,000, as the budget indicates.

We firmly believe such an appropriation imperative if the meat-inspection program is to be saved. Economy in government is one thing; pennypinching which endangers the health and livelihood of tens of millions of Americans, is another. * * * The health and economic welfare of consumers, farmers, packinghouse workers, and meatpacking industry are at stake.

From the office of the American Meat Institute, which has its headquarters in Chicago, I have received a letter from which I am reading a few excerpts:

During the 52 years of its existence, Federal meat inspection has been considered a public health service and as such has been paid for by the public as a whole. Although this principle has been recognized by the Congress, the amount of money which has been provided to discharge the obligation has not been sufficient for the expansion made necessary by the increase in population, changes in the character of the meat-packing industry and developments in the merchandising of meat.

According to the best estimate which can be made of the requirements for Federal meat inspection during the 1959 fiscal year, an appropriation of approximately \$1.9 million over the current budget request of \$17,326,000 will be needed if the public health is to be protected.

Since 1953, the number of meat inspectors has declined although there has been a

steady increase in the number of federally inspected plants. In addition, there has been a general upward trend in the number of animals slaughtered and the volume of products processed. The result has been that the Meat Inspection Division have been unable to keep up with the workload.

Mr. Chairman, whenever the health of my constituents, as well as that of the constituents of my colleagues, is concerned, I cannot remain silent. I do not know of my own investigations whether our meat inspection is actually breaking down because of the lack of money. But I have presented the picture as it has been given me by persons close to the scene, persons of standing and integrity. I can do no more. I do know that if we permit the deterioration of meat inspection we will be bringing upon the men and women and children of this Nation nothing short of tragedy.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. ROBERTS].

Mr. ROBERTS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD following the remarks of the gentleman from Mississippi.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. SANTANGELO].

(Mr. SANTANGELO asked and was given permission to revise and extend his remarks.)

Mr. SANTANGELO. Mr. Chairman, at the outset I would like to take this opportunity to commend the chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN], for the tireless work he has performed on the subcommittee and for the brilliant cross-examination of many witnesses which elicited for me and many members of the committee a wealth of information which is so necessary in handling this bill.

I want to take the opportunity of thanking the Democratic members of the subcommittee and the Republican members as well, for giving me the benefit of their views, and for the courtesy, comfort, and encouragement which they have given to me as a neophyte member of the subcommittee, a person coming from the city, dealing with matters which seem to be not germane to city life. Because of their cooperation and because of their help I have found work on this subcommittee to be very inspiring, and it made me realize very clearly that the welfare of the farmer is intimately connected with the welfare and the dignity of the laborer in the city and the industrialist who makes the tools. Our activities are intertwined; if one suffers the normal corollary is that the other segment of our population suffer also. So when I hear that the farmer is getting only 40 percent of what the consumer pays, I say something is wrong. We must preserve our agricultural economy, if we are to protect the economic health of every part of our society.

I want to turn my attention to a subject which is very important to city

residents and also to the school children in the rural areas; that is the school-lunch program.

The national school-lunch program represents legislation which I believe by its nature and intent demands flexibility in order to meet changing school needs. You may remember that initial Federal assistance for school-lunch programs which began in 1933, was started for three major reasons: First, to supplement relief feeding programs of the States and localities; second, to provide relief employment for the unemployed; and third, to assist in removing surplus agricultural commodities from the market. By 1946, when the school-lunch program became permanent, the relief aspects had disappeared, and the objectives were broadened. At that time school lunch became an accepted program which, even in times of prosperity, had two very important objectives. One objective was to extend the market for agricultural food commodities by (a) providing an expanded market for agricultural commodities through local purchases of food by school-lunch programs in commercial channels of trade; (b) serving as a valuable outlet for agricultural commodities purchased by the Department of Agriculture to alleviate local and seasonal surpluses; (c) expanding the outlet for highly nutritious foods, particularly in areas of nutritional deficiencies; and (d) introducing a wider variety of foods, thus creating a demand for commodities that many housewives would not otherwise buy.

The second and perhaps more important objective is to improve the health and well-being of the Nation's children by providing them a well-balanced lunch at school to help fill their daily nutritional requirements, and by developing proper and nutritionally beneficial food habits which will continue in later life.

Today, the national school-lunch program furnishes food items to schools by distributing commodities acquired under the stipulations of the National School Lunch Act through State distributing agencies. Under section 6, National School Lunch Act, commodities are purchased on the basis of their nutritional value and acceptability. Under section 32 of the Agricultural Adjustment Act, those commodities declared as surplus foods by the Department of Agriculture are purchased for donation to authorized outlets including all eligible school-lunch programs.

It seems to have been the administration's policy to decrease the amount of various surplus foods available for donation to the schools under section 32 and at the same time to reduce the amount of money with which we supplement the surplus food in order to provide a well-balanced lunch. I submit that the reductions in surplus foods is, in itself, a best argument for the need for an increase in the amount of money required to have adequate school lunch programs.

I was very much disappointed that this year's budget request would cut down by some \$55 million on the school lunch program. Turkeys, shelled eggs, and hamburgers were cut out in large part.

It is my purpose today to urge that \$55 million be transferred from section 32 funds to section 6 of the National School Lunch Act, in order, to assure an adequate food supply for school lunches. In times of unemployment this increase is especially urgent.

As you know, my district is an urban one and although urban dwellers support farm programs it is often difficult for us to see any tangible benefits from the farm support programs. The national school lunch program is one very definite way by which people in urban areas can see actual benefit. In fact, the only substantial benefit we seem to get from these farm price supports and all the programs for the farmer are the contributions and donations to the school lunch programs which benefit our children. Of course rural areas enjoy these benefits.

It is only right that this area of national public welfare receive adequate Federal support as the needs for such support present themselves. What are some of the evidences of this need?

Perhaps one of the most obvious problems which necessitates our immediate attention to increased Federal funds for school lunch is the rising school enrollment. A program of Federal assistance for school lunches which was adequate in 1954 was not adequate in 1956 when the total school enrollment increased from 28,836,000 to 31,145,000, which represents an 8 percent increase. This program of assistance, especially with a decrease in the availability of surplus foods, as has been the recent administration pattern, certainly will not be adequate for the 1958 school enrollment of over 33 million.

The rising tide of school enrollment has continued to make heavy demands upon the lunch program. For example, in 1947 the total number of meals served was 910 million. In 1957 that total number had increased to 1,800 billion. The average number of children participating in the national school-lunch program in 1956 was 9,337,494, and the peak number for that same year, which was reached during the month of November, was 10,536,029. This means that about one-third of the Nation's school-children were furnished noonday meals in 51,369 participating schools for fiscal 1956.

But the real importance of this program is not in the statistics but in what they have meant to the children. The almost \$281 million Federal expenditure for school lunches represents a relatively small item in the total Federal budget in return for the real value of the program. This Federal expenditure represents a figure of vital importance to the millions of schoolchildren who, for no charge or for a minimum charge, may receive a noonday meal which is not only appetizing but nourishing.

It has been reported that children who get lunch under this program, as compared with those who do not, show: a more rapid gain in weight and height, better attendance records, improvement in scholastic standing, better deportment, and higher resistance to colds and other illnesses.

One school-lunch administrator, writing of the school-lunch program, states:

Research has shown that the average home diet is low in protein and vitamins A and C. The schools, therefore, are encouraged to insure an adequate supply of these nutrients in daily menus. * * * The type A lunch required to be served by the participating schools, provides almost half of children's daily menus. * * * A well-balanced meal served at school (also) provides opportunities for relating classroom teaching to actual food and health practices.

Although the state of unemployment is not as widespread as was unemployment in the thirties and although the levels of earnings and consumption today are considerably higher than they were in the thirties, we certainly are acutely aware of a serious national recession. A recession, I might add, which has existed for some time and which somehow manages to exist even though prices of food are at an alltime high. The housewife who markets today finds it a difficult task to plan three meals which are nourishing, appetizing and economical. The hot nourishing lunch at school for the children certainly serves to relieve some of the drain on both the family pantry and the family pocketbook. Thus, it cannot be argued that the need for supplying noon meals to hungry children is not as urgent as it was when the program was established in the depression years of the thirties.

Neither can it be argued that Federal assistance in the program of school lunches will result in Federal domination or control, for the years of the successful operation of the school lunch program have demonstrated that the Federal Government has been able to function cooperatively with State and local governments without control or conflict. One demonstration of this cooperation in administering the school lunch program is supported by replies from State and local governments in response to a questionnaire sent out by the intergovernmental relations subcommittee of the Committee on Government Operation of the House. A summary of these replies, as related to the school lunch program in particular, states:

(a) There is generally believed to be a satisfactory balance between the Federal, State, and local governments in the administration of the school lunch program.

(b) In most instances, the personnel of the Federal Government has provided adequate, beneficial supervision.

(c) Federal aid to the school lunch program has not resulted in the transfer of functions from local to State control or vice versa.

(d) Federal statutes of standards have been minimum, and few, if any unreasonable demands have been made.

The local governments generally commented about the program:

The school-lunch programs have been a great boost to the health and moral of the American children. The program should be continued. The use of surplus food commodities has aided the schools.

The expressed need supported by the majority of the States answering this

questionnaire as it related to the school-lunch program was:

Federal aid for school-lunch programs should be increased. This increase is needed in order for the schools to meet the demands made upon the lunch program today.

Surely these comments from the State governments serve to support the urgent need for increased Federal financial assistance.

There are many circumstances within the nature of change and progress which effect the Nation's schools and their school program. The school, of necessity, has had to accept responsibilities other than the teaching of the three r's. The working mother, the consolidation of schools which has resulted in more travel time, the increasing food prices, the present day recession and status of unemployment, and most important of all the health of the Nation's children represent but a few factors which demonstrate the need for maintaining and expanding school-lunch programs. It can truthfully be said that the modern school of today must provide both food for thought and food for health.

While we have been generous to Europe and foreign countries we should not forget that charity begins in our homes and in our schools. I prefer that some of our surplus foods which foreign countries receive go to our children in our schools.

(Mr. SANTANGELO asked and was given permission to revise and extend his remarks.)

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. TEWES].

Mr. TEWES. Mr. Chairman, the portion of this bill which appropriates funds for the Meat Inspection Division of the Agriculture Department is important not only to consumers, but to those businesses which are working daily with the inspectors.

It is the opinion of many observers from both groups that the appropriations have not kept pace with the requirements of the service. For example, 13 years ago, there were 908 meatpacking establishments in 350 different cities. Inspection duties were performed by 855 veterinarians. This year there are 1,224 meatpacking plants under Federal inspection in 502 cities. There are only 677 veterinarians.

More than 300 more plants in more than 150 more cities have to be serviced by almost 200 fewer veterinarians.

Meatpackers in my district advise me that approximately \$19 million should be appropriated merely to maintain former standards of performance by this vital Federal agency. Shortage in the number of inspectors and veterinarians must ultimately result in either a lower standard of performance, or a slowup on production of packers by the understaffed inspection division.

The first result hurts the public. The second hurts the private businesses operating under the regulation. I am concerned with this matter because I fear we risk both results if we are not appropriating sufficient funds.

(Mr. TEWES asked and was given permission to revise and extend his remarks.)

(Mr. HIESTAND (at the request of Mr. H. CARL ANDERSEN) was given permission to extend his remarks at this point in the RECORD.)

Mr. HIESTAND. Mr. Chairman, I wish to go on record emphatically opposing any further taxpayer subsidizing the Rural Electrification Administration.

The record shows the farms of the United States are now approximately 95 percent electrified. And yet this great Bureau must dig up more projects to keep up the spending.

They asked for loan authorization of \$150 million more right out of the United States Treasury for further projects, largely to finance urban, not rural, expansion. Imagine that. This puts them further into direct competition with private taxpaying industry.

But this is not all. Our generous Appropriations Subcommittee raised this request another \$150 million, just doubling it.

Yes, they say it is a loan, not a subsidy. But it is a subsidy, in that interest to be paid is only 2 percent, regardless of how much the Treasury, your Treasury, has to pay for the money.

It is also just another \$300 million your Treasury has to borrow and raise the Federal debt.

The Committee has even raised the request for \$56 million for rural telephone expansion by another \$4 million to \$60 million.

Mr. Chairman, it is these Federal aid programs that are causing your Treasury to run short of funds to have to borrow more money and raise the Federal debt.

To me, this is an act of fiscal irresponsibility. The spenders are in control and they have the votes to pass this bill. They are generous, generous with the taxpayer's money, and all to keep the bureaucrats riding high.

This Bureau, backed by its powerful lobby, the National Association of Rural Cooperatives, calls the shots, and the Appropriations Subcommittee even raises the requests. How completely irresponsible.

In addition, the committee has recommended \$25 million contingency funds for each, and \$9 million for expenses. Possible draft on the Treasury, \$419 million. The spenders are riding high.

(Mr. BERRY (at the request of Mr. H. CARL ANDERSEN) was given permission to extend his remarks at this point in the RECORD.)

Mr. BERRY. Mr. Chairman, I have asked for this time to comment briefly upon some of the appropriation items included in this bill which establishes the appropriation for the Department of Agriculture and the agricultural programs for the coming year.

First, I wish to commend the Agriculture Appropriation Subcommittee on the very fine and very careful job they have done in evaluating the various programs and providing funds for them.

I would like to comment on several of the items included in this bill:

I want to commend the committee for establishing the total sum of \$15 million for the eradication of brucellosis. This is a most worthy and necessary program in the improvement of the livestock industry in the United States. I also wish to commend the committee in providing that this money should be set up on a direct appropriation rather than on a reimbursable basis from the Commodity Credit Corporation. I have watched the development of the brucellosis eradication program very closely. I know that great strides are being made, and I am sure that with the continuation of the program at its present level, the dreaded brucellosis disease will, before too long, be a thing of the past.

I also want to commend the committee upon their decision to retain the agricultural conservation program at the \$250 million level. This is an important program to the agricultural producers of America, particularly in view of the tremendous sums that have been spent in restoring damage caused by natural disasters in many areas of the country. Certainly, it would be less costly to the Nation to prevent the loss of soil and water through the ACP program than to restore the damage after it has happened. The topsoil which flows down into our streams and rivers is lost forever. This program not only retains the soil where it is, but helps to keep the moisture where it falls in the upper reaches.

I would add, also, my commendation to the committee upon their action taken upon the appropriation for REA, both for extension of power and for the rural telephone program. There is probably nothing that has done more to improve living conditions in rural areas and to lighten the burden of agriculture more than the REA and RTA programs. The public investment in these programs is guaranteed not only by the investment that the cooperatives made in the physical security of the plant, but more particularly in the work and individual effort of the farmers themselves in establishing the lines and business.

The committee is also to be commended upon its provision for foreign disposal of agricultural commodities, as well as provision for the school-lunch program. These are programs which not only build an outlet for agricultural products, but build for better and sounder Americans in years to come. The school-lunch program has proven to be a great asset, not only to agriculture, but particularly to the well-being of the youth of America.

I was, of course, pleased, Mr. Chairman, with the provision made for the Agricultural Research Service. It would be my recommendation, however, Mr. Chairman, that special emphasis be placed upon that phase of research which would provide an outlet for more agricultural products. I cannot stress too strongly, Mr. Chairman, the need for converting corn, grains, and other agricultural products into commercial alcohol to be mixed with gasoline for fuel consumption, and research on dozens of other commercial uses for agricultural

production. If the agricultural industry is to find its rightful place in a healthy economy in this Nation, it must of necessity, find that place in the commercial use of agricultural production. The production of food for ourselves and our neighbors is, of course, vital, but under our modern methods of production, food does not provide sufficient outlet for that production and we find ourselves embarrassed by having too much in our great land of plenty.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado [Mr. HILL].

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HILL. Mr. Chairman, I have reviewed very carefully the report of the Committee on Appropriations on Department of Agriculture appropriations for 1959. It is evident from the printed hearings, as well as from the report, that the committee has done a painstaking and thorough job of reviewing the Department's programs and activities. I know the members of the committee have labored to bring forth a bill which, in their opinion, makes the best possible provision for the welfare of the farmers and others affected by its provisions. I believe the recommendations of the committee for the most of the programs of the Department are sound. However, there are a few recommendations in the report which cause me considerable concern.

SUGAR ACT PROGRAM

The committee has recommended that the Sugar Act budget be reduced from \$76 million to \$71 million. This decrease of \$5 million will come out of the funds needed for making mandatory payments to producers of sugar beets and sugarcane.

The sugar program budget as submitted to the Congress contemplated the deferral until fiscal year 1960 of substantially all of the payments to be made with respect to the 1958-59 Puerto Rican crop. On the basis of the 1958 production estimated in the budget, the committee's action would increase deferrals to over \$21 million which would necessitate the holding up of payments on mainland crops as well as the Puerto Rican crop. Since the Puerto Rican crop is harvested late in the fiscal year, deferrals within safe limits do no particular harm in the case of Puerto Rico. But most of the mainland crops are harvested in the first half of the fiscal year and, therefore, delays in those payments could be injurious to growers. It should be kept in mind that last year's appropriation also was cut below the budget estimate with the result that deferrals have increased progressively.

In considering these progressive increases in deferrals three facts should be remembered:

First. The entire sugar program includes a processing tax of \$10 per ton which should yield \$88 million this year for the purpose of financing the sugar program.

Second. The law requires the payments to be made.

Third. Because of the upward trend in domestic requirements and production, Sugar Act payments can be expected to increase.

PACKERS AND STOCKYARDS ACT

The committee reduced by \$100,000 the Department of Agriculture's estimate of need for administration of the Packers and Stockyards Act. For fiscal year 1959 the Department of Agriculture requested an additional \$225,000 to extend the enforcement work under the act. The great need for this additional work has been recognized by many Members of both Houses of Congress and by the livestock and meat industry.

The Department has been gearing up its operations to more adequately administer all parts of the act, and particularly its investigations into trade practices of the meatpacking industry.

The Congress has heard many claims and criticisms that the Packers and Stockyards Act was not being adequately enforced. During the present session there have been extensive hearings before committees of both the Senate and the House in connection with several bills before the Congress.

The Department of Agriculture has been criticized by some for not requesting more funds with which to administer the Packers and Stockyards Act. There have been times in the past that Congress has not appropriated as much as asked for by the Department. Certainly the Congress should not go on record as advocating increased enforcement of an act and then fail to provide adequate funds for that enforcement.

The committee recommendation leaves only \$125,000 additional for expansion of work both in trade practices of the meatpacking industry and for posting additional stockyards. Much more than that is needed. In the several hearings before committees of both the Senate and the House, Members of Congress and a good many agriculture groups have recommended that the Department greatly expand its investigation of trade practices in industry. Also there have been hearings in which criticisms were voiced for failure of the Department to post and supervise all eligible livestock markets throughout the United States.

The Department in 1956 began with the approval of Congress and appropriated funds, a 3-year program for posting and supervising all livestock markets. The Department has completed a substantial portion of its 3-year program. There are approximately one thousand livestock auction markets subject to the act of which about 600 have now been posted by the Department. If adequate funds are not made available the Department cannot continue its program of posting the remaining 400 livestock auction markets now subject to the act but not yet posted.

There is need to supervise the business practices at all livestock markets and meatpackers meeting the requirements under the act in order to safeguard the interest of livestock producers and others. Efficient and effective administration of this regulatory act re-

quires that the whole job be done and not just a partial one.

The committee, in its report, said that a better job needs to be done in this area of responsibility, and it also said that some additional funds appear to be necessary. It is strange, considering that statement in the committee report, why the committee did not follow its own reasoning and recommend the full amount requested for administration of the act.

I strongly urge that the Congress restore the \$100,000 that was omitted from the request of the Department for administration of the Packers and Stockyards Act.

UTILIZATION RESEARCH

The committee, in its report on the appropriations for fiscal year 1959, recommended a decrease of \$2,300,000 for research into the utilization of agricultural products. To justify this decrease, the committee stated that—

In order to assure the maximum results from the research activities of the Department, during the next year, the committee has held the increase for utilization research at a reasonable level, consistent with the ability to recruit trained personnel and expand facilities on a sound basis.

The committee failed to take into consideration the fact that the programs proposed by the Department of Agriculture include plans for a number of contracts with outside organizations to supplement the research within their own facilities. These contracts are urgently needed to speed the adoption by industry of developments resulting from previous research within the Department. In these areas of vital importance to American agriculture, there is little or no incentive for private risk and venture by industry on behalf of agricultural commodities.

This and other additional utilization research are urgently needed to increase the market for agricultural products, and particularly the agricultural products in surplus. The cut proposed by the committee will make it impossible for the Department to proceed as effectively or as rapidly as is desirable in developing new uses and new markets for our farm products.

CONSERVATION RESERVE PROGRAM

The expansion of our agricultural surpluses has been retarded. But there is need for a more permanent adjustment in our agricultural plant so that those involved in the production of agricultural commodities are protected from the devastating effects of huge recurring surpluses. The retiring of currently used cropland into recognized good conservation uses, as provided for in the Soil Bank conservation reserve program, could offer a means of bringing about this needed adjustment. Up to this time the conservation reserve program rental rates have been set at levels which were deliberately intended to be attractive chiefly to the least productive land in the country. That only 10 million acres have been placed in the conservation reserve at this time is indicative of this fact.

The committee has agreed with the President on the elimination of the acreage reserve program. Wisdom now dictates that the conservation reserve part of the Soil Bank should be immediately expanded and funds provided to bring about the amount of adjustment needed in our agricultural plant.

The conservation reserve program should be shifted into more of a production adjustment vehicle. This would mean more funds would be required, with probably higher rates of payment and emphasis on whole farms to be taken out of production. The experimental bid program conducted by the Department this year in Maine, Tennessee, Nebraska, and Illinois proved beyond question that many farmers would cooperate with this type of a program. If the rates offered were more realistic compared with going rental rates. Over 52,000 farmers in these 4 States offered to retire the entire cropland on their farms in this experimental program.

The committee has recommended a reduction of \$300 million in the budget proposal for an advance authorization for the conservation reserve program from the \$450 million for 1959. This results in a possible program level even lower than in 1958, instead of the expansion which is needed. The Department's experience to date clearly indicates that farmers desire to cooperate, and will cooperate. This depends, however, on the funds which are made available and the limitations which are applied.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Mississippi.

Mr. WHITTEN. As the gentleman is aware, this is a commitment that has to be carried out, and the money in this bill is an estimate as to what it will take. If our estimate proves wrong, we will have to pay it. So it is a matter of judgment as to just how much you should have at the present time.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. HARVEY].

(Mr. HARVEY asked and was given permission to revise and extend his remarks.)

Mr. HARVEY. Mr. Chairman, I rise at this time to bring to the attention of the committee a matter that came to my attention just recently, and on which I had hoped to offer an amendment. I feel, however, in view of the nature of the amendment, that it probably would get better consideration and probably should be offered in the other body. There is a problem connected with the marketing facilities, the reporting of marketing of livestock, at the stockyards at Muncie, Ind., which is in my congressional district, where the present marketing facilities and the personnel who broadcast and get out the market information, have been canceled. I feel very strongly that this is an important market where the news service is of great value to the farmers of that whole

area. I am very sorry to see this happen. I believe that the amount of money involved is so small, especially in terms of the total budget, and where it is of such great importance to this great livestock area, that it is tragic that it should have been canceled out.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. VURSELL].

(Mr. VURSELL asked and was given permission to revise and extend his remarks.)

Mr. VURSELL. Mr. Chairman, it is a pleasure to serve on this committee with the very able members so interested in doing what they can to stimulate the great agricultural industry of this country. You have had a report on the bill, paragraph by paragraph, and I shall not belabor you with any repetitious facts here this afternoon.

I would like to say that we have taken very good care of the REA from the standpoint of appropriations, and I am quite sure that the Congress will take good care of this great institution that has done so much for the life and prosperity of the farmers and the Nation as well.

I feel confident that the Members of Congress know well the great worth of this organization and will see that it is kept in such shape that it can continue its mission in the interest of our Nation.

There are various departments of Agriculture that have been explained; that is, why we made some changes, why we increased here and why we have reduced there. But I want to talk to you for a few minutes about Agriculture's present condition and perhaps its past and its hope for the future. I realize that Agriculture has not fully shared in the general prosperity of the country, as do all Members, but I do believe that the course of Agriculture has been properly directed in nearly all instances under the present Administrator, Ezra T. Benson. I think he is one of the great public figures of this day and will go down in history as one of the great directors or administrators of agriculture. I think history will give him his well-deserved place, and I think the farmers are beginning to see and to note, and to understand that he is courageously following a course that in the present and for the long future, is in the interest of all segments of agriculture.

Let us take a look at the more optimistic side of the coin as we take inventory and consider this great agricultural problem. I should like to begin with some facts.

Farm income is, of course, of major interest because it is so closely related to the farm families' standard of living which, in turn, is the basic concern underlying most of the Department's work. Per capita income of people on the farms must be the most realistic gauge of income because it more accurately reflects the whole picture, particularly changes in population as well. According to this measurement the 1957 income per person on farms from all sources was the highest in history. There may be some who will want to challenge that statement later on.

Let us look at the figures. Farmers' realized net income in 1957 was \$11.5 billion compared with \$12 billion in 1956. This drop, however, resulted from two primary causes: First, a 3-percent increase in total farm production costs or expenses and, second, a wet fall and a late harvest which sharply reduced marketing late in 1957 and caused a very substantial buildup of stocks on the farms as of January 1, 1958.

Mr. Chairman, this bill provides \$1,456,588,653 for what is termed the regular activities of the Department under title 1 of the bill. This amount is \$152,390,195 less than funds provided for these activities in 1958. It is a reduction of \$103,900,000 below the budget estimate.

There are two items in the bill that I thought should be reduced by a considerable amount, but apparently it is the judgment of the other members of the committee that this should not be done.

Also included in the bill is \$1,760,399,886 to restore capital impairment of CCC through June 1957 under price support and related activities. Of this amount, \$739,606,640 represents losses on farm commodities handled. The balance, \$1 billion, is for storage handling, transportation, administration, and interest costs.

REA

The committee provided for the Rural Electrification Administration and the Farmers Home Administration, \$569,500,000, broken down as follows: For REA, \$300 million; REA Telephone, \$60 million; Farmers' Home Administration, \$209,500,000 plus a \$25 million contingency fund for each program. These amounts are not appropriations. They are authorizations to borrow from the Treasury sufficient funds to meet the loan programs of these agencies. These loans are repaid over a term of years with interest.

AGRICULTURAL RESEARCH SERVICE

For research we have recommended \$58,444,890 for 1959, which is to expand research on utilization of agricultural commodities.

PLANT AND ANIMAL DISEASE AND PEST CONTROL

For these items, we appropriated \$41,732,000 which is an increase of \$11,650,000 over the 1958 appropriation.

MEAT INSPECTION

The committee recommends the sum of \$24,326,000 for 1959 for the regular meat inspection service, and the new mandatory poultry inspection program authorized last year. Of this amount, \$17,826,000 is to be used to meet the regular meat inspection workload, which is an increase of \$1 million for this item. The balance of the funds we feel should adequately meet the full poultry inspection workload.

STATE EXPERIMENT STATIONS

We allowed the full amount of the budget request for this item—\$30,353,708.

SOIL CONSERVATION SERVICE

This Service provides assistance to soil-conservation districts that will conserve the soil and water resources, provide for agriculture reduction on a sustained basis, and reduce damage from

floods and sedimentation. The Service also carries out special drainage, irrigation, flood prevention, and watershed protection activities in cooperation with Federal and State agencies.

The committee recommends \$74,780,000 for the fiscal year 1959—an increase of \$2,500,000 over the budget estimate.

Testimony indicates that 40 new districts will be formed during the fiscal year, and an additional 30 districts will be activated during fiscal year 1959 as well.

WATERSHED PROTECTION

For this popular and rapidly expanding Soil Conservation Service—\$25,500,000.

AGRICULTURAL CONSERVATION PROGRAM

The purpose of this program includes restoring and improving soil fertility, reducing erosion caused by water and weather, and conserving water on the land and for cost-sharing systems to individual farmers and rangers for carrying out approved soil building and soil and water conserving practices on their farms. The farmer bears in this sharing effort about 50 percent of the average cost, and, in addition, supplies the labor necessary to carry out the practices.

For the above conservation work for the fiscal year 1959, we recommended an appropriation of \$235 million, which we feel will be sufficient to meet all commitments made to participate under the 1958 program authorization of \$250 million.

The budget requested that the advance 1959 program authorization be reduced to \$125 million for the coming year, but the committee restored the full \$250 million program for 1959.

SCHOOL LUNCH PROGRAM

The committee recommends the full budget estimate—\$150 million for the fiscal year 1959. In addition, the committee has included language in the bill to transfer \$55 million from section 32 funds to section 6 of the school lunch program, to assure a more adequate supply of food for school lunches.

CONSERVATION RESERVE PROGRAM

For conservation reserve, an appropriation of \$250 million is recommended to cover expenditures under this program during fiscal year 1959. This will provide \$64 million to meet payments due under 1956-57 contracts; \$146 million to meet commitments under 1958 contracts; \$23 million for payments on 1959 contracts, and \$17 million for transfer, operating expenses and production of forestry seedlings.

The budget includes \$242.9 million for payments against 1958 contracts.

As of March 1, 1958, only \$47.9 million worth of contracts were signed, and the signup period closes on April 15. The committee estimates, therefore, that signups will total only \$146 million for the year. Accordingly, it has reduced the funds for this purpose by \$100 million.

ACREAGE RESERVE PROGRAM

An appropriation of \$330 million, the full budget estimate, is included in the bill for the coming fiscal year to pay off contracts signed under the 1958 crop year program.

THE STATUS OF AGRICULTURE

Mr. Chairman, while I realize agriculture has not fully shared in the general prosperity of our country, I do believe that the cause of agriculture has been properly directed, in nearly all instances, under the present administrator, and that agriculture has gone through the most difficult peacetime decade in its history, and is on the road to substantial and continual recovery.

Now, let us look at the more optimistic side of the subject.

FARM INCOME

I should like to begin with some of the facts about agriculture's present position.

Farm income is, of course, of major interest because it is so closely related to the farm family's standard of living, which in turn is the basic concern underlying most of the Department's work.

Per capita income of people on farms is the most realistic gage of income because it more accurately reflects the whole picture, particularly changes in population. According to this measurement, the 1957 income per person on farms, from all sources both farm and nonfarm, was the highest in history.

Let us look at the figures. Farmers realized net income in 1957 was \$11.5 billion, compared with \$12 billion in 1956. This drop resulted from two primary causes:

First. A 3-percent increase in total farm production expenses. Production expenses reached a new high last year.

Second. A wet fall and delayed harvest, which sharply reduced marketings late in 1957, and thus caused a very substantial buildup in stock on farms as of January 1, 1958.

In other words, some income which was produced and which would normally have been realized in 1957 was postponed and will be realized this year.

In contrast to the dropoff in realized net income, total net income including the inventory change rose from \$11.6 billion in 1956 to \$12.1 billion in 1957.

On a per capita basis, income of the farm population from all sources was at a record high of \$993 in 1957, up 10 percent from 1956, and 2 percent above the previous peak reached in 1951. Most of the change from 1956 to 1957 reflected the estimated 8 percent drop in farm population for 1957.

PRODUCTION AND SUPPLY

Our agriculture in 1957 was characterized by high production. Expanding population, high economic activity, and record consumer income created a strong domestic market for food and other farm products. Heavy exports of wheat, cotton, and rice reduced carryovers of these commodities during the 1956-57 year, and further decreases are in prospect in 1957-58.

Aided by Government programs, wheat exports in the 1956-57 crop marketing year reached an all-time high of 549 million bushels. Two-thirds of our wheat exports were moved under special Government programs. The wheat carryover dropped 124 million bushels to 909 million on July 1, 1957.

United States cotton exports in fiscal 1957 were the largest in 23 years; and the supply of cotton in the current season is considerably smaller than the record high of 27.6 million bales of 1956-57. The starting carryover last August 1 was about 11.2 million bales—3.3 million bales smaller than the record of 14.5 million August 1, 1956. The 1957 crop, estimated at 10.9 million running bales was 2.3 billion below the 1956 crop. It is expected the carryover on August 1, 1958, to be reduced another 2½ million bales—making a total reduction of more than 5½ million bales in 2 years.

PRESENT FARM STATUS

The level of living on farms is at an alltime high.

The rate of farm foreclosures in the year ending March 1, 1957, was down slightly from the year before, and continued at low levels compared with the 1930's and early 1940's.

Farm assets are at an alltime high—\$188 billion as of January 1, 1958. Farmers have less than \$11 in debts for each \$100 of assets. Owner equities rose 7 percent during 1957 to a peak of \$168.4 billion.

Farm ownership is also at a record high. Only 1 in 3 owner-operated farms has a mortgage.

The family farm continues to dominate agriculture. Ninety-six percent of our farms and ranches are family operations, about the same as 30 years ago.

The postwar downtrend in prices which started in 1951 has been reversed. Prices received by farmers increased 6 percent from January to March, and are 11 percent above a year ago, and 15 percent about 2 years ago.

The build-up of surpluses has been reversed. Government investment in surplus farm products owned and under loan has dropped considerably in the past year and a half.

But we all realize that, despite these more favorable developments, agriculture is still having difficult times.

DECLINE IN FARM PRICES

The price of farm commodities from 1948 to 1952 dropped about 19 points—even with the Korean war in effect, that stimulated prices in 1950, 1951, and 1952.

During this same time, by strikes and threats of strikes, in all of the farm machinery industry, the wages of those making farm machinery increased by over 30 percent, which caused, as every farmer knows, an increase in the cost of farm machinery, that the farmer had to buy, of 25 percent or more, with the result that the total farm production costs rose under the Truman administration, from 1949 to the close of 1952, \$4.6 billion; or, in other words, it cost the farmers more to put in and harvest their crops in 1952 than it did in 1949, and it has cost them that extra \$4.6 billion every year up to the present time.

I would also like to point out that even with the Korean war, from December 1951 to December 1952, statistics show that the parity ratio dropped 11 points in 1 year, under the Truman administration; that under 5 years of the Eisenhower administration, farm prices reached their low, and are today at 87

percent of parity—and that the drop in farm prices in 5 years under the Eisenhower administration was less than the drop in the last year of the Truman administration.

Now let us compare the increase in 5 years to the farmers to put in and harvest their crops under the Eisenhower administration: In 1953, total farm production expenses were \$21.2 billion. For 1957, they are \$22.9 billion, or an increase of 8 percent for the 5 years, or \$1.7 billion. The increase to the farmers under 5 years in total production costs under the present administration is \$1.7 billion, as compared with an increase in the last 4 years of the Truman administration in the farmers' costs to produce his crops of \$4.6 billion—a percentage increase of 26 percent.

And the farmers, due to these high prices, have been in trouble since that time.

When is this Congress going to help give the farmer relief from the constant pyramiding of labor costs that robs the farmers of billions of dollars a year?

We hear a good deal of talk about the farmers not getting their full share of the dollar. I would like to see somebody instead of continuing to talk about it—to do something about it. I think we all know where you have to go to do something about it. You cannot have a pyramiding of wages because of the power of the labor monopoly every year whether or not their production would justify new wage contracts every year. And, there have been 48 of them, I think, this year running from 17 cents to 25 cents an hour. You cannot keep these wages going up all the time unless you penalize the farmer from the day his livestock is born on the farm and from the feed lot all the way to the city where it is delivered to the consumer. You not only penalize all of the farmers, you are also penalizing every consumer in America.

The CHAIRMAN. The time of the gentleman has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. VURSELL. It also brings inflation that wipes out the value of money and prevents procuring the things that money would buy. Why do we not do something about it? I would like to see someone of stature in this Congress, on either side of the aisle, come up with a concurrent resolution and appeal to Walter Reuther to call off at the present time their request for higher wages and help to stabilize the economy of our country and stop this inflation. I believe if someone would offer such a resolution and the Democrats and Republicans would stand solidly behind it in the House and Senate, they would call it off. At the same time I believe the same sort of resolution ought to be directed to those in the motor manufacturing business, the National Association of Manufacturers, the National Chamber of Commerce, the State chambers of commerce, and to big business, medium business, business all over this United States to cooperate with the Government and stop this ruinous inflation.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. HOFFMAN. Can you tell about how many billions we have appropriated for unemployment?

Mr. VURSELL. I do not have the figures.

Mr. HOFFMAN. Have you any idea how many jobs?

Mr. VURSELL. I know about how many people are out of jobs.

Mr. HOFFMAN. How many?

Mr. VURSELL. About 5 million.

I think it is serious. Here we have prices going up, people out of work, employment going down. That is certainly proof that we are in a wage squeeze. A high wage and price recession. It is certainly proof that the big labor leaders of the Nation are pricing their own people out of jobs, because they have production so high that there is a semi-strike against the high price of products produced.

The reason I say I would like someone to introduce a resolution like that, I introduced a resolution like that last year and of course there was no action taken. But why do we not now, in the interest of all the 165 million people, have the courage to try to stop some of this inflation and penalizing the farmers and everybody who buys anything by stabilizing prices? You can do that without being against organized labor. The fact is, if we would take that sort of position it would make more employment and labor being fully employed, would go home with more pay than they have under the situation they have now, and the entire Nation would benefit from the action we would take.

Mr. HOFFMAN. Will the gentleman yield again?

Mr. VURSELL. I yield.

Mr. HOFFMAN. This is not anything new. If you will read the hearings of 1945, at that time the Committee on Government Operations was trying to get legislation to create 8 million—get that—8 million jobs for the unemployed. We had Wallace and Fred Vinson, Phil Murray, Green, and half a dozen others down before the committee—Eric Johnston. Do not forget him. He is one of the quacks we have yet. What are you going to do about it? You appropriate a million or more for Federal jobs, and then you write into that a provision that the wages shall be only so much and the hours shall be so much.

Mr. VURSELL. There could be the possibility, answering the gentleman's question, that the Congress has not given quite the attention to approaching these problems that they should have in the past.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield myself 5 minutes and shall take a little time at the outset to make a few inquiries of the gentleman from Mississippi, the chairman of the subcommittee.

Mr. Chairman, I refer to language on page 6 of the report under the general heading "Need for Formal Hearings," where we have this language:

After hearings on the operations of this Corporation, the committee is convinced

that the Department should provide for formal hearings, with notice given in advance, on any major action or change of policy being considered by the officers of the Corporation. Such hearings should be printed and released to the public, together with copies of any orders issued and reasons therefor.

Now I would like to make just a few remarks before I ask the gentleman a question.

A procedure whereby CCC would give notice in advance and hold hearings before taking any major action or making a change of policy would be totally unworkable. The Board of Directors of the Commodity Credit Corporation meets on an average of once a week, considering on an average of about five items.

If it should be necessary to hold a public hearing and issue public records before any action could be taken by the CCC Board it would be necessary to have hearings going on all of the time. If top officials of the Department of Agriculture and CCC would be expected to attend these hearings they would have little time for the performance of any other duties.

At one time we had an extensive system of commodity and industry advisory committees. We found that these committees had only limited usefulness in many types of situations. Many of the committees were abolished. If, however, we attempted to hold public hearings on every change in policy those who could be expected to attend would be about the same group we previously had on these committees, and we would be returning to a system previously tried and found wanting in many respects.

May I ask the gentleman from Mississippi [Mr. WHITTEN] this question: Just what would the gentleman consider to be a major change in policy or major action requiring formal hearings?

Mr. WHITTEN. May I say to the gentleman that the statement which he just read accurately reflects the view of the committee. Let me preface my remarks now by saying that the Commodity Credit Corporation is a \$14 billion corporation. The officials of that corporation approved a policy of inspecting and reclassifying cotton after the cotton had been sold, and the record shows that about \$36 million was paid out in refunds. Yet the buyers of the cotton received more for it when they sold it on a competitive world market than the original price.

Another thing we have to bear in mind is the extent to which policies of governmental departments affect people. It is difficult to measure them in dollars and cents. But decisions by the Federal Communications Commission do not amount to nearly as much in dollars and cents as decisions by the Commodity Credit Corporation. Its transactions reach to the hundreds of millions of dollars and the effect of its action is to take it out of the pockets of some and put it into the pockets of others.

We have been very careful in this report not to make any charge against the officers as individuals, and I make none now. But I do say that decisions made

by the officers of this \$14 billion corporation have effects that extend to hundreds of millions of dollars which people make or lose, or even the Government might lose it. Certainly we should have some established means or method whereby such major policies are decided.

In citing the following examples I do not want them to be taken as restrictive. The Department of Agriculture knows the attitude of the Appropriations Committee and the Congress is insisting upon a competitive sales approach to the disposition of the CCC commodities. The Secretary of the Department is very proud of this wonderful record they have made under this approach to the disposition of commodities. The solution completely changed the earlier policy of export subsidies.

Now we learn indirectly that the Department plans to substitute an export subsidy plan for competitive sales.

I cite that as one illustration where this Corporation did not even advise the Congress, did not even advise our Appropriations Committee.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. H. CARL ANDERSEN. I yield myself 2 additional minutes.

Mr. WHITTEN. I cite that as one illustration. But by citing it I do not want to restrict the inclusion of something of a similar nature. "Major policy" has a general definition and they know what we mean.

Mr. H. CARL ANDERSEN. The gentleman realizes I am asking this question for the purpose of construing what is meant by this language. Will the gentleman kindly place in the RECORD at his convenience today any further definition he might have relative to my question?

Mr. WHITTEN. I am glad to enlighten the gentleman.

Mr. H. CARL ANDERSEN. May I bring up one more point? I refer to the last paragraph on page 9 of the report. The language there reads:

In view of congressional interest in a consistent sales policy, the sales manager is directed to report monthly to the Speaker of the House, and to the appropriate committees of the House and Senate, the policies, activities, and developments, including all sales and disposals, with regard to each commodity which the Corporation owns or which it is directed to support.

As a premise to my question, may I say this: The general sales manager can render a monthly report on sales accomplishments with regard to each commodity which the Corporation owns or which it is directed to support. Proposed Department policies, activities, and developments relating to the disposal of CCC commodities must, of necessity, be discussed between the general sales manager's office, the Office of the Administrator, and the Secretary's Office. The sales manager is, therefore, not in a position to report proposed policies, activities, and developments until such proposed actions have been finalized.

Here is my question: Mr. WHITTEN, is it not your intention to have such reports

as may be required transmitted to you as chairman by the Secretary himself?

Mr. WHITTEN. I agree with the facts that the gentleman has pointed out. The sales manager could not report until after the fact. But I would insist that the intent there is to have the sales manager make the reports. In support of that, I point out that the sales manager's position was created by the Congress in an appropriation bill a few years ago. May I say further that Congress itself might give some thought to additional legislation for a proper audit, with a view to looking after and supervising this \$14 billion Corporation.

Mr. H. CARL ANDERSEN. I am entirely in agreement on that point with the gentleman.

Mr. WHITTEN. May I say that the reports should come to the Congress from the sales manager. I would agree that, being an employee of the corporation, he would not be at liberty to advise us until after the actions were taken.

Mr. H. CARL ANDERSEN. I am sure the gentleman does not mean that the sales manager should report on pending developments which might touch off a splurge of speculation?

Mr. WHITTEN. As an employee of the corporation, certainly he would not have that authority, and I would not want him to have it.

Mr. H. CARL ANDERSEN. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. KNOX].

(Mr. KNOX asked and was given permission to revise and extend his remarks.)

Mr. KNOX. Mr. Chairman, I take this time to raise 3 points in connection with this legislation which is before the House for consideration today. The bill provides for a hundred million dollars for the school lunch program. What method is used in the releasing of these funds? What happens to the \$75 million which has been appropriated in the past years for the school milk program or is that at the discretion of the Secretary?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to the gentleman from Mississippi.

Mr. WHITTEN. The milk program is entirely separate from the school-lunch program. It is under a special law. The Commodity Credit Corporation finances the Government's part of the special-milk program, and this committee, in turn, merely restores the money to the Commodity Credit Corporation.

Mr. KNOX. I understand the basic law, but does this \$100 million amend the basic law in any way so that the \$75 million could not be available for the school-milk program?

Mr. WHITTEN. The school-milk program would proceed. This appropriation to the school-lunch program is divided under a formula between the various States. Eighty-five million dollars is paid to the States through a formula for contribution to the school-lunch program and \$15 million of the \$100 million is retained in the Washing-

ton office to buy special foods for the purpose of making a complete lunch for the various schools.

Mr. KNOX. In other words, the basic law has not been changed as far as the milk program is concerned?

Mr. WHITTEN. That is right.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, it has been my pleasure to serve on this committee now for better than a dozen years, and I have enjoyed the service immensely. I am rather proud of some of the accomplishments achieved for American agriculture during that time, and the close cooperation on both sides of the aisle has resulted in many things that are good for American agriculture.

If I may, I would like to read a paragraph on page 5 of the report which I think expresses the spirit of this subcommittee:

This is not a partisan matter. It is a matter which affects every citizen of the United States—and of the entire world. We must preserve our agricultural economy, if we are to protect the economic health of every part of our society.

I would like to include here a brief reference to several things that are being done and of which this subcommittee has shown an interest through the years.

For one thing, we have observed the operations of Public Law 480 which has seen \$4 billions worth of commodities, most of them surplus, moved into consumption around the world. In fact this and the sales force which this subcommittee helped to institute in the Department has seen almost the depletion of some of our most troublesome surpluses in cotton, wheat and other commodities. Since fiscal year 1953, we have increased agricultural research by 95 percent. This year a new emphasis is being placed upon utilization research.

Personally, I do not agree with this emphasis believing that production research is most apt to help the man actually producing food and fiber. We have made tremendous strides in the eradication of brucellosis. In fact, we have 980 counties in 41 States now being certified as modified free of this disease.

Since 1953 we have increased extension work by about 80 percent. One of the things that has happened in the Department of Agriculture since 1954 and of which this subcommittee is particularly proud is the revitalizing of the Foreign Agricultural Service. Today we have attachés stationed in 51 foreign posts covering about 100 countries. Their work has been a tremendous factor in the virtual doubling of agricultural exports in the last 4 years.

In 1954 the Farm Credit Administration was made an independent agency, a move long urged by farmers and farm organizations. We have also stepped up and improved the service through the Farmers Home Administration.

More soil conservation has been applied in the last 5 years than any other period in our history. This includes the Watershed Protection and Flood Preven-

tion Act of 1954. This is particularly helpful where flooding conditions exist. The last 4 years has seen tremendously beneficial programs instituted in disaster relief. Since July 1953, \$600 millions has been extended by the Department of Agriculture in various kinds of special draught and disaster aid.

Social security has been extended to farm families and farmworkers. Special milk programs have been instituted.

All of these programs have had their impact on agriculture. Today I feel that the commerce in agriculture and its free movement by private trade is on the threshold of an era that will be of tremendous value to the American farmer.

(Mr. HORAN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Kentucky [Mr. WATTS].

(Mr. WATTS asked and was given permission to revise and extend his remarks.)

Mr. WATTS. Mr. Chairman, I am happy that my colleague from Mississippi has clarified the statements contained in the report of the Appropriations Committee and has made it plain that in consolidating the funds for meat and poultry inspection, the Appropriations Committee did not intend to place poultry inspection under the Agriculture Research Service.

As chairman of the Subcommittee of the Committee on Agriculture which handled the legislation which ultimately became the Poultry Products Inspection Act, I am vitally interested, and the committee is vitally interested, in making certain that nothing is done to interfere with the effective administration of this legislation.

This legislation was the outgrowth of extensive hearings held by the Committee on Agriculture during the 84th Congress and the 1st session of the 85th Congress. The precise question of which agency should administer the Poultry Products Inspection Act was carefully considered by the committee. A number of the bills which were under consideration would have, by legislative action, placed the administration of the poultry inspection program in the Agriculture Research Service as a part of the red meat inspection program. Some bills would have merely amended the Meat Inspection Act, thereby making poultry inspection merely a part of the Meat Inspection Act. Other proposals would have placed administration in the Poultry Division of the Agricultural Marketing Service. In the course of the extensive hearings and consideration given to this legislation, the committee rejected those proposals that poultry inspection should be combined with red meat inspection and carried out under the Meat Inspection Division of the Agriculture Research Service.

There are many reasons which prompted the committee in its belief that poultry inspection could probably best be administered in the Poultry Division of the Agricultural Marketing Service. The committee recognized that there are substantial differences between poultry

and red-meat animals and that their production, distribution and marketing channels are entirely different and that they are commodities which compete directly with one another. Under these circumstances, it was determined that an inspection program which would make the poultry program a mere appendage of the red-meat program, which had been developed to meet the peculiar circumstances surrounding the production and distribution of red-meat animals, would not be satisfactory for poultry. Poultry today is a major segment of our agricultural economy. It is the third largest producer of cash farm income and accounts for about 11 percent of the gross income from all agriculture. The Poultry Division of the Agricultural Marketing Service conducts many other activities which are essential and necessary to poultry producers. These activities include egg inspection, the development of standards of quality and grades, marketing research activities, and section 32 and other programs affecting poultry. To have taken the poultry-inspection program out of the Poultry Division and placed it elsewhere would have weakened the Poultry Division and consequently the activities which it performs. Instead of promoting economy, it would make for inefficiencies because the same personnel which supervise these other activities will also supervise the poultry-inspection program. Another factor which the committee recognized in placing poultry inspection in the Agricultural Marketing Service is that this Service carries out cooperative programs with State departments of agriculture, a practice which is not followed by the Meat Inspection Division of the Agricultural Research Service.

It was clear to the committee from the testimony of the Department of Agriculture that, unless a specific directive were written into the bill requiring the Secretary to carry out the act under the Meat Inspection Division, it would be carried out separately from meat inspection and under the Agricultural Marketing Service.

The Poultry Products Inspection Act—Public Law 85-172—provides in subsection 4 (k):

The term "inspection service" means the official Government service within the Department of Agriculture designated by the Secretary as having the responsibility for carrying out the provisions of this act.

The rejection of the bills which would have placed the poultry inspection program in the Agricultural Research Service and the definition of the term "inspection service" as contained in the bill which was enacted constituted an affirmative determination by the committee reporting the bill and of the Congress that the inspection service should continue in the Agricultural Marketing Service—not in the Meat Inspection Division of the Agricultural Research Service. It was determined that these two operations should be kept separated in the Department of Agriculture and that poultry inspection should continue to be carried out under the Agricultural Marketing Service. The Secretary of Agriculture, however, was given author-

ity to review the entire matter and to place it in the agency in the Department which in his opinion could best carry out the objectives of the act.

The Poultry Division of the Agricultural Marketing Service has developed poultry inspection procedures during the last 25 years under the voluntary inspection program. This agency is manned by highly trained competent personnel with long experience in poultry. It has a record of poultry inspection experience and achievement which is unequalled, and it was obvious to the committee that it was the best qualified agency to carry out the mandatory inspection program.

Since the enactment of this law and pursuant to the provisions thereof, the Secretary of Agriculture has taken formal administrative action and has delegated the responsibility for administering the Poultry Products Inspection Act to the Poultry Division of the Agricultural Marketing Service, entirely separate from the meat inspection service as was the intention of the law.

I am happy that the chairman of the Agriculture Subcommittee on Appropriations has clarified the statements contained in the committee report, because I am sure that he recognizes the need and necessity for maintaining a poultry inspection division which is not overshadowed by or subordinated to red-meat inspection. These statements together with the legislative history of the Poultry Products Inspection Act will, I believe, again serve to make it clear that it is the intention of the Committee on Agriculture that the inspection program continue to be administered by the Poultry Division of the Agricultural Marketing Service.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Virginia [Mr. HARRISON].

(Mr. HARRISON of Virginia asked and was given permission to revise and extend his remarks.)

Mr. HARRISON of Virginia. Mr. Chairman, I appreciate and I am happy to concur in the statement of my colleague from Kentucky, the chairman of the Subcommittee on Poultry of the Committee on Agriculture. His statement makes it quite clear that existing law requires that poultry inspection be carried out by the Poultry Division of Agricultural Marketing Service. I also appreciate the clarifying statement of my colleague from Mississippi the chairman of the Agriculture Subcommittee of the Appropriations Committee that in reporting the appropriation bill it was not the intent of the committee to place poultry inspection under the Agricultural Research Service.

If there were the least doubt as to either of these propositions I would offer an amendment to the bill to separate the appropriation for meat inspection and poultry inspection. This, however, I conceive now to be unnecessary in view of the clear provision of the law placing the administration of the Poultry Products Inspection Act in that service within the Department of Agriculture which the Secretary has "designated for that purpose" namely the Poultry Di-

vision of the Agricultural Marketing Service. It is, therefore, clear that the funds appropriated by the bill for carrying out the provisions of the law relating to Federal inspection of poultry will be available for financing the cost of the poultry inspection program conducted by the Poultry Division of the Agricultural Marketing Service, as there is no other provision of law which authorizes it to be administered elsewhere.

I concur in the reasons stated by my colleague from Kentucky as to the necessity of maintaining poultry inspection completely separate from the red meat inspection program.

In the interest of clarity, it might be more advisable if the items for meat inspection and poultry inspection were separated. However, I deem the language is not vital in view of the fact that the bill requires the expenditures should be made in accordance with law, and the basic law does not provide for poultry inspection by Agricultural Research Service.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from South Dakota [Mr. McGOVERN].

(Mr. McGOVERN asked and was given permission to revise and extend his remarks.)

Mr. McGOVERN. Mr. Chairman, my native State of South Dakota has been hard hit by both the agricultural and the industrial part of the recession. The Benson policies have badly hurt our farmers. Other administration policies have triggered industrial unemployment. Today, we are considering another failure, which may bring further dangers to economic welfare of our farmers and workers. I am talking about the meat and poultry inspection appropriation provided in the Department of Agriculture appropriation bill now before us.

If no other funds are approved for meat inspection, but the amount provided in the bill, I very much fear that the livestock and meatpacking industry will be further injured. The shortage of meat inspectors has already caused instances of curtailments in meat production in some parts of the Nation. These curtailments will necessarily increase in numbers and duration unless an adequate number of inspectors are added to the staff of Meat Inspection Division.

No meat may be slaughtered without the supervision of a meat inspector. Therefore, when sufficient inspectors are not available for work in slaughtering plants, the number of livestock killed must be reduced. This carries the danger of higher meat prices for the consumer, lower prices for livestock for farmers, more unemployment for workers and reduced profits for meatpacking firms.

The appropriation bill we are considering does not banish these dangers. On the contrary, it brings them closer. For meat inspection, this bill would provide funds for the addition of only one-third of the new inspectors needed.

I do not say this in criticism of the Appropriations Committee or its Agriculture Subcommittee. Considering the appropriations request sent to it by the

Eisenhower administration, I believe the Committee has done the very best it can. It has approved in full the total amount estimated by the administration for meat and poultry inspection for fiscal year 1959.

The administration must take the blame for the inadequacy of the inspection budget. It has not taken the needs of consumers, farmers and workers into consideration in these programs any more than it has on so many others. It was cowed by the pressure for deep budget cuts, which was brought to bear on all of us last year. And the administration caved in.

We remember all too well President Eisenhower's remarks that domestic programs must be cut to make up for the extra defense spending. This is the result.

The administration's estimate for meat inspection was some \$2 million below what it should have been. Instead of more than \$19 million, it asked \$17,326,000.

But this dismal picture of too little began to change yesterday—I hope not too late.

I am told that Secretary Benson, in answer to a question, told the Senate Agriculture Appropriations Subcommittee that the Bureau of the Budget is now considering a more than \$2 million supplementary appropriations for the meat inspection program. This is indeed good news. Consumers, farmers, workers, and the packinghouse industry may get a break yet.

In the appropriation bill, meat inspection and poultry inspection are integrated. I believe this to be a good and wise move by the Agriculture Appropriations Subcommittee. Since the qualifications for both inspection jobs are the same, these jobs should actually be interchangeable when the need arises without the redtape involved in the borrowing of one division from another.

This flexibility should be of great help to the poultry inspection program. Members of the Appropriations Committee have told me that the exact needs of this program are not as easily determinable now as those for meat inspection. This is because poultry inspection is new and will not go into full operation until January 1, 1959.

The appropriation bill provides only \$6,500,000 for the operation of poultry inspection in fiscal year 1959. Some \$7 million have been suggested by experts as its minimum needs. The bill would, therefore, leave poultry inspection \$500,000 short.

But with consolidation of meat and poultry inspection and the approval of a supplementary appropriation, this problem would be solved. Such extra funds as are necessary for poultry inspection would, undoubtedly, be made available to it.

In short, the supplementary appropriations for a combined inspection division would solve the problems of both the meat and poultry inspection programs.

I, therefore, urge the administration not to repeat its pennywise, pound-foolish mistakes of the past. I hope the Bureau of the Budget will quickly send

to Congress a request for supplementary appropriations.

And I urge the Agriculture Appropriations Subcommittee to approve these supplementary funds and allow us in the House to act on them swiftly.

In view of the present economic crisis, our Nation—and particularly the States in which livestock raising and slaughtering is vitally important, as in South Dakota—cannot afford unneeded production curtailments in a great industry. Also, we owe it to the consumers of our Nation that adequate inspection is available for meat and poultry, so that they can truly have the protection which they expect.

AN APPEAL TO SAVE THE MEAT INSPECTION PROGRAM

The meat inspection program is now in the greatest crisis of its half-century existence. This Federal service, which has earned the respect of every group in American life for its steadfast and effective protection of the consumer and livestock producers, is already unable to fulfill its job and is in danger of deteriorating further.

In recent years, appropriations have not kept pace with the increase in the Meat Inspection Division's workload, which rose with continuing increases in the number of animals slaughtered and the decentralization of the meat industry. The Division has shifted its employees back and forth; borrowed veterinarians from other sections of the Department of Agriculture and taken other temporary expedients to meet the severe shortage of inspectors.

But now this system of patchwork is reaching the breaking point. Last year, some of our organizations reported to Congress instances of slowdowns in meat production in some meat plants in 18 cities because insufficient inspectors were available. Now, this problem has worsened. The 1957 slowdowns lasting a few hours have now increased 20 and more percent cuts in slaughtering lasting a week at a time in some plants.

The consequences are serious. They are: A definite threat to consumer protection, further cuts in farmers' incomes, more layoffs in packinghouse workers' jobs, and further reduction in meatpacking firms' profits.

Unfortunately, the President's budget for the fiscal year 1959 promises no improvement. It actually carries a request for \$1,392,000 less than the budget of fiscal year 1958. The \$17,326,000 requested in the fiscal year 1959 budget would restrict the Meat Inspection Division to a staff even smaller than it maintained in the current fiscal year. This is blatantly inadequate.

Actually, the Division needs an increase of 412 inspectors. This is apparent from the following: In fiscal year 1957, the Division had 3,023 employees. For fiscal year 1958, it demonstrated the need for 192 more employees, but funds were not made available. In fiscal year 1959, another 3 percent increase in meat plants needing inspection is expected and a 1.5 percent increase in inspectors, or 48 additional inspectors, will be required. Therefore, the Meat Inspection Division, in order to carry out its functions adequately, must have 3,263 inspectors (3,023 plus 192 plus 48). But the Division will have only 2,851 inspectors on July 1, 1958.

The Meat Inspection Division, therefore, needs an appropriation for fiscal year 1959 of \$19,202,184, not of \$17,326,000, as the budget indicates.

We firmly believe such an appropriation imperative if the meat inspection program is to be saved. Economy in Government is one thing; pennypinching, which endangers the health and livelihood of tens of millions of Americans, is another. We urge the ad-

ministration to change its budget estimate. We urge Congress to appropriate the truly needed amount of \$19,202,184. The health and economic welfare of consumers, farmers, packinghouse workers, and meatpacking industry are at stake.

Thomas J. Lloyd and Patrick E. Gorman, president and secretary-treasurer, Amalgamated Meat Cutters and Butcher Workmen (AFL-CIO); Radford Hall, executive secretary, American National Cattlemen's Association; Homer R. Davison, president, American Meat Institute; James G. Patton, president, The National Farmers Union; Herschel D. Newsom, master, The National Grange; John A. Killick, executive secretary, National Independent Meat Packers Association; Dr. R. A. Hendershott, secretary, United States Livestock Sanitary Association; E. F. Forbes, president and general manager, Western States Meat Packers Association.

Mr. WHITTEN. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Idaho [Mrs. Frost].

(Mrs. FOST asked and was given permission to revise and extend her remarks.)

Mrs. FOST. Mr. Chairman, I rise to stress again the importance of instituting sound soil- and water-conservation practices in all parts of this country. I am interested, of course, in seeing that they are employed particularly in my State of Idaho and the Pacific Northwest in general.

Such practices in the area could be greatly improved by the establishment of a soil and water conservation research laboratory similar to those now operating in other parts of the country. A report on the urgent need for such a laboratory has recently been prepared by the National Association of Soil Conservation Districts in the States of Oregon, Washington, Idaho, and Nevada.

Funds for this laboratory were not included in the Agriculture Department's budget requests, and are not in the bill before us today. It is estimated that the initial cost of a laboratory would be about a million dollars, which would cover the cost of greenhouses, other buildings and soil processing facilities. An additional million dollars will be needed later, on a recurring basis, to support personnel and operating expenses for the laboratory, and for a field program in the Northwest. Funds would be divided equally between soil- and water-research programs, for dry farm lands, range lands and irrigated lands.

It is my sincere hope that the other body will write into this bill \$1 million to launch the laboratory in the fiscal year 1959, and that the House conferees will be willing to accept the sum in the conference version of the bill.

There is no question about the mounting need for a soil- and water-research laboratory in the Pacific Northwest. This area is in many ways an agricultural frontier. Its proper development is most important in planning future food production to meet our expanding population. Thousands of acres have been brought under water in the Pacific Northwest in the last quarter of a century—and vast areas of virgin lands remain to be irrigated. The rapid development of some of the irrigation projects,

and the resultant drainage, water- and soil-management problems that have arisen, make the establishment of a Northwest water- and soil-conservation laboratory of vital necessity.

Soil and water laboratories in other sections of the country have made notable contributions to moisture conservation, erosion control and soil fertility practices in their area. Groups of scientists can naturally work best as teams on these various problems and their fundamental findings can be put to use wherever problems exist.

A 1954 United States Department of Agriculture report on the Columbia River Basin pinpoints some of the other problems in the area. The report stresses that many towns, farms and even some large cities are so located that they suffer flood damage during the occasional high streamflow, and that proper treatment and management of the land on the watersheds could help control these floods. Water conservation and control are inseparable parts of good land management.

The plan for a Pacific Northwest Laboratory grew out of an inventory of the problems of over 200 soil conservation districts. At first the idea was opposed by agricultural experiment stations and the land-grant colleges of the area, but most of them are now enthusiastically supporting the proposal. I have a telegram in favor of the Laboratory from Dr. D. R. Theophilus, president of the University of Idaho, and Dr. James E. Kraus, director of the agricultural college and experiment station at the university.

One of the most persuasive arguments I have read on the importance of appropriating the funds for this Laboratory was made by Mr. Don G. Fredericksen, area vice president of the National Association of Soil Conservation Districts, and one of the originators of the laboratory idea. Mr. Fredericksen says:

We are aware of the urgency of stepping up the Nation's missile program and the pressure Congress is under to adjust to the national program to meet the expanding need. But from our findings we feel that a soil and water laboratory for the Northwest, similar to those authorized in the last session of Congress for other sections of the country, is urgently needed. It will not make too much difference how many missiles we produce if we do not have the soil and water resources to produce the food and fiber for our expanding population. Unless we get information to the farmer on how to control tremendous losses in soil and water in this area, many of our farmers will be forced out of business.

Mr. Chairman, I hope that this Congress will appropriate the necessary funds to make the Pacific Northwest Soil and Water Research Laboratory a reality.

Mr. WHITTEN. Mr. Chairman, I yield the remainder of the time to the gentleman from Minnesota [Mr. MARSHALL], a member of the committee.

Mr. MARSHALL. Mr. Chairman, my service on the Agricultural Appropriations Subcommittee is enjoyable principally because it gives me an opportunity to work with Members whom I am proud to call not only colleagues, but friends. We have our differences of

opinion but never do we indulge in personalities. We respect each other's viewpoints and are all interested in the work we are doing.

We have in JAMIE WHITTEN an able and alert chairman. His wide knowledge of law and money matters continues to amaze me. He combines this with a practical balance that makes him one of the best-informed men on agriculture in the country today.

Anyone who knows WILLIAM NATCHER admires him for his courteous and gentlemanly manner in the committee room and on the floor of the House. His interest in agriculture grows from a deep understanding of its importance in American life.

This year we welcomed a new member to our subcommittee, ALFRED SANTANGELO. I have often said that the agricultural bill should be called the consumers' bill. Our colleague from New York is making a real contribution and has demonstrated his desire to work on a subcommittee on which hard work is valued. It is heartening to have a representative of a city district talk in terms of food and people. It has been a pleasure to work with him and we hope that he will continue to serve with us.

On the minority side is a friend of many years' standing, CARL ANDERSEN, a true friend of farmers. He is a tireless worker for the best interests of farm people.

Another good friend and an able and industrious member of the subcommittee is WALT HORAN. His sense of fairness and earnest desire to do the right thing is always evident.

CHARLES VURSELL, another fine member of the subcommittee, is a kindly man who sincerely wants the Department of Agriculture to make a good record.

All of us, of course, are hopeful that the situation in which agriculture finds itself today will improve. It is our hope that the work we have done on this bill will be a constructive contribution toward achievement of that goal.

Mr. Chairman, we are considering the appropriation for what is probably the most important single industry in the United States. A few simple illustrations will show this.

Agriculture produces nearly two-thirds of all the raw materials in this country. Farmers use more crude petroleum than any other industry. Farmers use—or have used in recent years—as much steel as goes into the production of passenger cars. Our rural areas consume some 25 billion kilowatt hours of electric power, due primarily to the success of the rural electrification program.

FARM DOLLAR MULTIPLIES

We have had testimony that the farm dollar is multiplied 5 to 7 times. The Department of Agriculture had figures a few years ago showing that more than a third of the employed workers in our country had jobs because of agriculture and the industries which rest upon farming.

In 1954 the Bureau of the Census published a special study entitled "Raw Materials in the United States Economy: 1900-1952." It shows that agriculture in 1952 supplied 65 percent of the raw mate-

rials used in the United States. It shows that this percentage figure has remained high over a period of more than half a century. I am sure you will be interested in a few highlights from this study, shown in the following table:

TABLE 1.—Percentage distribution of production of raw products in the United States

	1952	1930-39	1920-29	1900-1909
Foods.....	52.3	57.5	54.1	54.2
Nonfoods produced by agriculture.....	12.6	11.9	13.1	15.4
Total agriculture.....	64.9	69.4	67.2	69.6
Mineral fuels (coal, oil, gas).....	20.4	17.2	16.8	10.1
All other minerals.....	8.4	5.7	6.3	5.5
Forest products.....	5.5	6.6	8.8	13.7
Fishery and wildlife products.....	.7	1.0	.8	1.1

Source: Washington Farm Letter, Mar. 1, 1957.

The Members of this body can take considerable pride in knowing that they have had a part in making it possible for the agriculture of our Nation to develop to the productive peak it represents today.

COMMITTEE HAS BEEN GENEROUS

It is the function of your Committee on Appropriations to examine the financing of this great industry, and to see that its needs are met adequately. This we have done, and done generously—even sometimes over the objections of those who are responsible for administering programs for the farmer and the Nation.

It can also be said, Mr. Chairman, that this committee and this body can and has exerted a measure of influence upon those whose duty it is to see that the interests of agriculture are properly cared for. Unfortunately, this influence has been limited. Once the committee has recommended certain appropriations and certain steps in the handling of them, and once the Congress has approved funds, it is then up to the persons in charge of programs to carry them out in the wisest way they know how. We in this body can only advise.

ADVICE GOES UNACCEPTED

Mr. Chairman, it is apparent that much of our advice has not been accepted. It is often difficult to influence a stubborn man whose mind is set upon a course. This is evidenced by what has happened to the farmer in relation to other important major groups.

In the 5 years since 1952 national income has increased more than one-fifth. Disposable personal income, which is the amount available for spending, has increased more than one-fourth. Corporate profits after taxes have gone up more than 30 percent. Average weekly earnings of production workers in 1957 were a fifth greater than in 1952.

TABLE 2.—National income up 23 percent

Year:	Income (billions)
1952.....	\$290.2
1953.....	302.1
1954.....	299.0
1955.....	324.1
1956.....	343.6
1957.....	358.0

Increase, 23.3 percent.
Increase since 1952, 23.3 percent.

Source: Department of Commerce.

TABLE 3.—Disposal personal income up
26.6 percent¹

Year:	Income (billions)
1952.....	\$237.4
1953.....	250.2
1954.....	254.5
1955.....	270.2
1956.....	287.2
1957.....	300.6
Increase, 26.6 percent.	

¹ Source: Department of Commerce.TABLE 4.—Corporate profits after taxes—up
24 percent¹

[In billions of dollars]		
Year	Before taxes	After taxes
1952.....	\$35.9	\$16.1
1953.....	37.0	16.7
1954.....	33.5	16.0
1955.....	42.5	21.0
1956.....	43.0	21.0
1957.....	41.0	20.0
Increase.....	5.1	3.9

¹ Preliminary estimate by Council of Economic Advisers.

Source: Department of Commerce.

TABLE 5.—Average week earnings of produc-
tion workers¹

Year:	All manu- facturing
1952.....	\$67.97
1953.....	71.69
1954.....	71.86
1955.....	76.52
1956.....	79.99
1957.....	82.39
Increase, \$14.42.	

¹ Source: Department of Labor.

During this period the population of our country has shot up by more than 14 million persons. It has increased at an average rate of 2.6 million persons a year, and the increase is continuing steadily.

FARMERS OUGHT TO BE DOING WELL, BUT—

The amount of food eaten per person also has increased. Our agricultural exports, aided by appropriations from the Congress, have increased 88 percent since 1952. All this should indicate that agriculture is in a very favorable position. But as all of you know, such is not the case. While other major groups in the country have—until recent months—generally prospered, the farmer has been the victim of a vicious price and income squeeze.

TABLE 6.—More mouths to feed

Year:	U. S. population ¹
1952.....	157,028,000
1953.....	159,636,000
1954.....	162,417,000
1955.....	165,270,000
1956.....	168,174,000
1957.....	171,229,000
Increase, 14,201,000.	

¹ Source: Department of Commerce, Bureau of Census.TABLE 7.—More food per person—index of
food consumption per capita (1947-49=
100)¹

Year:	
1952.....	100
1953.....	101
1954.....	101
1955.....	102
1956.....	103
1957.....	102
Increase, 2 percent.	

¹ Source: Hearings, Department of Agriculture appropriation bill, 1959, pt. I, p. 54.TABLE 8.—Exports higher—value of farm
exports at 1952-54 prices¹

Year:	Millions
1952.....	\$2,491
1953.....	2,472
1954.....	2,644
1955.....	3,100
1956.....	4,717
Increase, 88 percent.	

¹ Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. II, p. 924.TABLE 9.—Farm costs up; farm income
down¹

[In billions of dollars]			
Year	Gross farm income	Production expenses	Realized net farm income
1952.....	\$36.7	\$22.5	\$14.3
1953.....	35.1	21.2	13.9
1954.....	33.7	21.5	12.2
1955.....	33.2	21.6	11.6
1956.....	34.4	22.3	12.1
1957.....	34.4	22.9	11.5
Change.....	-2.3	+1.4	-2.8

¹ Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. I, p. 55.

Mr. Chairman, February 11, 1958, marked the 5th anniversary of the delivery of the first speech, after taking office, made by our present Secretary of Agriculture. This is the famous "St. Paul Speech" made in my home State.

It is a speech which shocked many people at that time. It shocked them because it launched the agricultural arm of our United States Government upon a course which has led agriculture to its present state.

A RUINOUS POLICY IS BORN

In this speech was enunciated for the first time a policy of breaking down the existing programs of the farmer without adequate provision for replacement. It was a policy—whether accomplished by intent or through ignorance of the consequences makes little difference now—which caused the farm price structure to crumble.

This was done in the name of freedom for the farmer; in the name of economy of operation; in the name of greater efficiency of administration. It was done under the banner of a moral crusade to raise the sights of agriculture above the dollar sign.

Mr. Chairman, it may serve a useful purpose to use this speech as a text in today's discussion. I am now reading from the speech made by the Secretary, as he put his hands to the plow for the improvement of agriculture, 5 years ago:

It seems that man must get his feet into the soil—

The Secretary said then—

to keep sane. In any event, no other segment of our population knows so well that "as ye sow, so shall ye reap."

There is no easy road to the accomplishment of turning America back from an era of unbalanced budgets, of free spending, of inflation, of taxation that had reached confiscatory levels, of giveaway Government programs that were steadily and surely undermining the moral and spiritual values of our people. But such a program is in keeping with the thrift and wise financial management that is so characteristic of the people of rural America. * * *

The United States Department of Agriculture has acted without delay. We had already effected a regrouping of agencies for more effective administration. February 5th our staff and agency heads met to start immediately a complete review of all programs

and budgets. We have a splendid staff in charge, and they are ready to give strong leadership in seeing that agriculture does its share in accomplishing a balanced budget.

It will be our effort to give even more prompt and efficient service to you and the agricultural interests of the Nation—and at less cost. We believe it can be done.

As we move forward, advisory groups and committees will be used to bring the Department of Agriculture the best judgments of farmers, farm organizations, and industrial leadership.

Our agricultural policy should aim to obtain in the market place full parity prices of farm products and parity incomes for farm people so that farmers will have freedom to operate efficiently and to adjust their production to changing consumer demands in an expanding economy. This objective cannot be assured by Government programs alone. It can be achieved only with a steady level of prices, high employment and production, and rising output per worker in our total national economy.

The most important method of promoting the long-time welfare of farm people and the Nation is the support of adequate programs of research and education in the production, processing, marketing, and utilization of farm products, and in problems of rural living.

The development of modern agriculture which has made possible these great achievements has placed the family farm in a vulnerable economic position because farm prices and income rise and fall more rapidly than farm costs. Hence, the guarding of farm levels of living requires a program of storage and price supports to help to assure stability of income.

Price supports should provide insurance against disaster to the farm-producing plant and help to stabilize national food supplies. But price supports which tend to prevent production shifts toward a balanced supply in terms of demand, and which encourage uneconomic production and result in continuing heavy surpluses and subsidies, should be avoided.

The principles of economic freedom are applicable to farm problems. We seek a minimum of restrictions on farm production and marketing to permit the maximum of dependence on free-market prices as the best guides to production and consumption.

Farmers should not be placed in a position of working for Government bounty, rather than producing for a free market.

In the administration of this Department, the guiding purpose will be to strengthen the individual integrity, freedom, and the very moral fiber of each citizen.

God help us to raise our sights beyond the dollar sign, beyond material things. May we have the courage to stand up and be counted, to stand for principle, for those noble concepts and ideals which guided the Founding Fathers in establishment of this great land. Thank God for the promises that have been made regarding the future of America. I hope and pray we will merit and realize the fulfillment of these promises.

That is the end of the quotation from the Secretary's speech in St. Paul. I fear it is not the end of the policies outlined at that time. If there is one quality in the Secretary that stands out above others it is that of consistency. Mr. Benson meant what he said 5 years ago. He still means it.

SECRETARY'S SPEECHES COST MONEY

Since that day the Secretary has delivered more than 186 speeches—a little over 3 a month. Testimony from the Department of Agriculture taken by our committee shows that between January 1953, and September 1, 1957, the Secretary made 186 speeches. All but 19 of

these were distributed by the Office of Information, the distribution ranging from 400 to 6,700 per speech. Distribution costs were estimated by the Office of Information at \$41,178.86, or \$8,235.77 a year for the period of 4 years, 8 months. Average cost was \$246.58 per speech. This includes all costs, except postage. This information is presented by the Department beginning on page 196 of our hearings.

BENSON ADDS 17,000 EMPLOYEES

Mr. Chairman, it is interesting to note some of the things that have happened since the Secretary made his first speech in relation to the content of the speech itself. Mr. Benson said 5 years ago, and I again quote:

We had already effected a regrouping of agencies for more effective administration.

Our committee hearings show that since that time the Department of Agriculture staff has increased by more than 17,00 persons. No doubt the increase was justified. If the need on the part of farmers for assistance in checking falling income is any criterion, there can be no question about it. We can only wish, Mr. Chairman, that the addition of employees had been more effective. The following table, taken from figures submitted by the Department of Agriculture on page 12 of our hearings, shows the increase in personnel:

TABLE 10.—17,000 more U. S. Department of Agriculture employees

Fiscal year	Average annual positions ¹		
	Permanent	Other	Total
1953-54.....	53,348	10,342	63,690
1954-55.....	53,489	11,005	64,494
1955-56.....	56,729	12,978	69,707
1956-57.....	60,727	13,736	74,463
1957-58.....	66,256	14,632	80,888

¹ Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. 1, p. 12.

BENSON NAMES 65 ADVISORY GROUPS

Again, quoting from the Secretary's maiden speech, Mr. Chairman, he said:

As we move forward, advisory groups and committees will be used to bring the Department of Agriculture the best judgments of farmers, farm organizations, and industrial leadership.

It cannot be said that the Secretary has failed to live up to this commitment. On page 872 of our hearings the Department of Agriculture submitted the following information:

Public advisory committees of major importance number 65. This figure includes the National Agricultural Advisory Commission, which reviews USDA policies and program administration in consultation with the Secretary of Agriculture.

The Department representative further stated that members of the National Advisory Commission receive travel expenses and per diem, amounting last year to "substantially \$10,942."

CONGRESS GENEROUS ON RESEARCH

Returning to the Secretary's initial speech, he said, and I quote:

The most important method of promoting long-time welfare of farm people and the Nation is the support of adequate programs of research and education in the production, processing, marketing, and utilization of farm products, and in problems of rural living.

Mr. Chairman, the Congress has been generous in its support of these programs, as the records of the Department of Agriculture show. Our report shows that the research funds of the Agricultural Research Service have increased by more than 77 percent since 1952. Appropriations for State experiment stations have increased over 140 percent during the same period. Payments to the States for Federal-State extension service have increased nearly 80 percent since 1952.

TABLE 11.—Farm output up: prices down; costs higher; income lower¹

Year	Farm output (1947-49=100)	Prices received (1910-14=100)	Prices paid (1910-14=100)	Net farm income (1952=100)
1952.....	107	288	287	100.0
1953.....	108	258	279	97.4
1954.....	108	249	281	85.5
1955.....	112	236	281	81.2
1956.....	113	235	285	84.6
1957.....	113	242	296	80.9
Change (percent).....	+5.6	-16	+3.1	-19.1

¹ Source: Hearings, Department of Agriculture Appropriations Bill, 1959, pt. 1, p. 54.

FULL PARITY, PROMISES BENSON

Five years ago Mr. Benson told the farmers in my State, and again I quote:

Our agricultural policy should aim to obtain in the marketplace full parity prices of farm products and parity incomes for farm people, so that farmers will have freedom to operate efficiently and to adjust their production to changing consumer demands in an expanding economy * * * We seek a minimum of restrictions on farm production and marketing to permit the maximum of dependence on free market prices as the best guides to production and consumption.

PRICES DOWN; PRODUCTION UP

Mr. Chairman, instead of getting parity, the records of the Department of Agriculture show that prices have gone steadily down. They have averaged 82 percent of parity for each of the last 2 years. Instead of an adjustment in production there has been an increase in production. Instead of income remaining at parity, the income which the farmer must live on—what he has left after paying expenses—has declined more than 19 percent.

Continuing with the policy speech of the Secretary to which he has consistently adhered, I again quote:

The development of modern agriculture, which has made possible these great achievements, has placed the family farm in a vulnerable economic position because farm prices and income rise and fall more rapidly than farm costs.

TABLE 13.—Reducing price support does not get rid of surpluses¹

Crop	1953			1957			Increase
	Support level	Support price	Production	Support level	Support price	Production	
	Percent of parity	Dollars	Thousands	Percent of parity	Dollars	Thousands	
Corn.....bushel.....	90	1.60	3,209,896	77	1.40	3,332,535	122,639
Barley.....do.....	85	1.24	246,723	70	.95	430,737	184,014
Oats.....do.....	85	.80	1,153,205	70	.61	1,337,790	184,585
Rye.....do.....	85	1.43	18,894	70	1.18	26,440	7,546
Grain sorghum.....do.....	85	1.36	115,719	70	1.04	526,528	410,809
Soybeans.....do.....	90	2.56	269,169	70	2.09	491,421	222,252
Dairy products.....1,000 pounds.....			121,761,000			127,600,000	5,839,000
Manufactured milk.....100 pounds.....	90	3.74		82	3.25		
Butterfat.....pound.....	90	.673		79	.586		

¹ Hearings, Department of Agriculture appropriations bill, 1959, pt. 3, pp. 1690-1691.

FOUR MILLION LEAVE FARM

Mr. Chairman, never was a truer statement made. Since Mr. Benson took charge of the Department of Agriculture, nearly 4 million persons have left the farm. We have over half a million fewer farms today than we did in 1952. Even with nearly 4 million fewer persons on farms, the income per person from agriculture has declined, while the income from sources in the cities and towns has increased.

TABLE 12.—Fewer farmers; fewer farms; but no increase in income

Year	Farm population ¹	Number of farms ¹	Income per person on farms	
			Earnings from agriculture	Earnings off the farm
	Thousands	Thousands		
1952.....	24,283	5,421	\$702	\$251
1953.....	22,679	5,308	665	265
1954.....	21,890	5,201	660	265
1955.....	22,158	5,087	614	284
1956.....	22,257	4,964	601	301
1957.....	20,396	4,857	684	309

¹ Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. 1, p. 55.

NOTE.—In 1948 and in 1951 the per capita earnings from agriculture exceeded the 1952 figure—in 1948, earnings from agriculture were \$761; in 1951, \$745. Had the 3,887,000 farmers who have left the farm shared in the earnings from agriculture last year, the per capita income from this source would have been \$525 per person, rather than \$684.

Mr. Chairman, Secretary Benson started telling us 5 years ago that farm price supports should come down in order to prevent the building up of additional surpluses. In his St. Paul speech he said, and I quote:

Price supports which tend to prevent production shifts toward a balanced supply in terms of demand and which encourage uneconomic production and result in continuing heavy surpluses and subsidies should be avoided.

PRICE CUTS DON'T CUT SURPLUS

The implication of this statement is that if farm price supports were lower, the farmer's products would move more freely into market channels, and surpluses would disappear. The Department of Agriculture's own records show that this is not the case.

Prices of most farm commodities have been going down ever since the present Secretary came into office. Mr. Benson has lowered price support levels as fast as he could. The Department figures submitted at our hearings show that in many instances the lower the price went the more the farmer produced in order to make up the loss.

Mr. Chairman, again our Secretary of Agriculture started lecturing to us 5 years ago about agricultural subsidies. He has been talking about getting out of the subsidy business ever since. In his first policy speech he said, and I again quote:

Farmers should not be placed in a position of working for Government bounty rather than producing for a free market.

GOVERNMENT PAYMENTS UP

Again, I would like to refer to the record of subsidy payments filed with your subcommittee on page 65, part 1, of our hearings. The Department figures show that last year farmers received more than \$1 billion in Government payments. This is a record amount. For every \$10 net realized by farmers last year, \$1 was received in the form of a Government payment. Without these payments, the farmer would be in a worse situation today than he is.

TABLE 14.—Government payments to farmers
[Millions of dollars]

Year:	Total payments
1939.....	763
1946.....	772
1947.....	314
1948.....	257
1949.....	185
1950.....	283
1951.....	286
1952.....	275
1953.....	213
1954.....	257
1955.....	229
1956.....	554
1957 ¹	1,016

¹ Preliminary.

Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. 1, p. 65.

In the present fiscal year the Department of Agriculture is spending nearly half as much as the net realized by farmers from the sale of their crops.

MORE BENSON SPENDS, LESS FARMERS GET

There appears to be a connection between the amount the Department of Agriculture spends and the amount of net income farmers receive. The more Mr. Benson spends, the less farmers get.

The cost of running the Department of Agriculture has increased 82.6 percent since the Secretary's first full year in office. The realized net income of farmers during this same period has declined 17 percent.

TABLE 15.—Benson's spending in a year now equals nearly half a year's net realized farm income¹

Fiscal year	USDA expenditures (millions)	Calendar year	Realized net farm income (millions)	Percent spending of farm income
1953-54.....	\$2,915	1953	\$13,880	21
1954-55.....	4,636	1954	12,190	38
1955-56.....	5,177	1955	11,581	44.7
1956-57.....	5,006	1956	12,070	41.5
1957-58.....	5,327	1957	11,532	46.2
Total.....	23,661		61,253	37.6

¹ Hearings, Department of Agriculture appropriations bill, 1959, pt. I, p. 54, and Bureau of the Budget.

² Average.

Mr. Chairman, any comment concerning the Secretary's reference in his maiden policy speech to Paul's letter to the Galatians, in which Paul said, "Whatsoever a man soweth, that shall he also reap," I leave to my colleagues on the other side of the aisle.

SHARE OF FOOD DOLLAR DOWN

It is unfortunate that the consumer has been unable to benefit from the misfortune of agriculture, Mr. Chairman. As the price of farm products has gone down, so also has the farmer's share of the retail food dollar gone down—from 47 cents in 1952 to 40 cents last year. The marketing margin has increased by the same amount.

TABLE 16.—The retail food dollar: farmer's share down; marketing margin up

[In cents]		
Year	Farmer's share	Marketing share
1952.....	47	53
1953.....	44	56
1954.....	43	57
1955.....	41	59
1956.....	40	60
1957.....	40	60
Change.....	-7	+7

Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. 1, p. 72.

RETAIL PRICES AT NEW HIGH

The housewife today receives little satisfaction from the fact that the farmer is getting a smaller portion of her food dollar. Retail food prices for the last year were at an alltime high. The index of retail food prices for last year averaged 115.4 percent of the 1947 to 1949 average. This was higher even than during the peak of the war period.

TABLE 17.—Retail food prices an alltime high

Year:		Retail food prices (1947-49=100)
1929.....		65.6
1930.....		62.4
1931.....		51.4
1932.....		42.8
1933.....		41.6
1934.....		46.4
1935.....		49.7
1936.....		50.1
1937.....		52.1
1938.....		48.4
1939.....		47.1
1940.....		47.8
1941.....		52.2
1942.....		61.3
1943.....		68.3
1944.....		67.4
1945.....		68.9
1946.....		79.0
1947.....		95.9
1948.....		104.1
1949.....		100.0
1950.....		101.2
1951.....		112.6
1952.....		114.6
1953.....		112.8
1954.....		112.6
1955.....		110.9
1956.....		111.7
1957.....		115.4

Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. I, p. 71.

TABLE 18.—The cost of bread
[In cents]

Year	Retail price of bread	Cost of flour	Farm value of wheat
1952.....	16.0	3.5	2.6
1953.....	16.4	3.6	2.5
1954.....	17.1	3.9	2.7
1955.....	17.5	3.9	2.7
1956.....	17.9	3.7	2.6
1957.....	18.8	3.7	2.6
Increase.....	2.8	.2	None

Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. 3, p. 1222.

TABLE 19.—The cost of milk
[Cents per quart]

Year	Retail price	Marketing margin	Farm value
1952.....	23.2	11.3	11.9
1953.....	22.8	11.7	11.1
1954.....	22.4	12.0	10.4
1955.....	22.5	12.3	10.2
1956.....	23.3	12.7	10.6
1957.....	24.2	13.3	10.9
Change.....	+1.0	+2.0	-1.0

Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. 3, pp. 1224-1225.

TABLE 20.—Cost of work shirts

Year	Retail cost	Marketing margin	Farm value
1952.....	\$1.60	\$1.33	\$0.27
1953.....	1.56	1.32	.24
1954.....	1.53	1.29	.24
1955.....	1.51	1.27	.24
1956.....	1.62	1.38	.24
1957 ¹	1.67	1.44	.23
Change.....	+.07	+.11	-.04

¹ Preliminary.

Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. 3, p. 1235.

TABLE 21.—Leading food company profits
[Dollars in millions]

Year	Profits as a percentage of sales			Totals for 59 companies		
	46 processing companies	5 wholesale distributors	8 retail chains	Total profits	Taxes	Profits after taxes
	Percent	Percent	Percent			
1952.....	3.4	1.6	1.9	\$671	\$361	\$310
1953.....	4.0	2.0	2.1	797	428	369
1954.....	3.8	1.9	2.0	781	402	379
1955.....	4.3	1.7	2.0	896	449	447
1956.....	4.3	1.9	2.3	969	479	490

Source: Hearings, Department of Agriculture appropriations bill, 1959, pt. 3, p. 1209.

The housewife should know that while the retail price of bread has gone up an average of nearly 3 cents a loaf since 1952, the farmer received no more for the wheat that went into the bread.

The housewife should know that while the retail price of milk has increased on the average by a cent a quart since 1952, the farm price of milk has decreased by the same amount.

SHIRTS UP—COTTON DOWN

The worker should know that while the retail price of a work shirt has gone up by 7 cents, the farm value of the cotton

that went into the shirt has gone down 4 cents.

It is the middleman, not the farmer, that has been getting the increase in retail prices. These facts are all presented by the Department of Agriculture in our hearings, pages 1209 of part 3, pages 1222, 1224, 1225, and 1935.

Mr. Chairman, it is not for me to say whether the moral fiber of our farmers has been toughened by their latest grapple with declining farm prices and incomes.

It is sufficient to say that the effects of the Benson policies, as first announced in his St. Paul speech and adhered to still today, are reflected in the recession with which we are having to cope at the present time. Now the worker and the small-business man have joined the farmer on the economic slide. The farmer has company, Mr. Chairman, but that is not the answer he desired.

EFFECT ON MACHINERY INDUSTRY

More than 5 million persons are unemployed. Still others are working only part time. Business has been hurt. The effect of the decline in farm income is illustrated by a story in the March 26 issue of the Wall Street Journal. The story told how the rural market has fallen off for new tractors and other farm machinery, and how farmers were shopping around for cheaper, used merchandise.

ECONOMICAL FARMERS—AS INCOME LAGS, MANY SHUN NEW MACHINES BUT SCRAMBLE FOR USED UNITS

(By Arlen J. Large)

ARCHBOLD, OHIO.—The hottest market for second-hand farm machinery in more than 8 years is bringing new trouble for companies that sell new equipment.

A J. I. Case dealer in Coopersville, Mich., describes it this way:

"From what I've seen, I'd say 30 percent of the boys who were planning to buy new machinery this year will take used stuff instead. Right now, I can sell four used tractors for every new one."

The strong demand for used machines may also portend a disappointing rural market for shiny new automobiles, electric appliances, and scores of other products. Like many recession-pinched city dwellers today, farmers in growing numbers appear to be shopping around for cheaper, used merchandise.

Mr. Chairman, our Subcommittee on Agricultural Appropriations has made many constructive suggestions to Secretary Benson. Some that he has put into effect have been beneficial. Other recommendations he has seen fit to ignore, even though our committee feels the facts substantiate the recommendations.

It seems to me that the data presented to us by the Department of Agriculture bear out the committee views—particularly as they relate to operations of the Commodity Credit Corporation.

SHOULD STUDY OWN RECORDS

With that in mind, I would like to recommend to the top officials of the Department that they evaluate the information which exists in the files of their study records. Those of us on the farm who have reason to study our own problems go to our State experiment stations and State extension services, and to other

branches of our department of agriculture for information. There are plenty of guideposts which point out that the Department of Agriculture and the administration are in trouble with their farm programs. It is surprising that the top officials of the Department do not use the information they have in their own files to cope with these problems.

Mr. Chairman, it is my desire to be as constructive as I can be to help solve the difficult problems of the farmer. I have worked out a proposal which I feel can help, and I wish to present it at this time.

Present farm programs and policies have placed American agriculture in an imbalance in relation to other forces in the economy. They are inadequate because they fail to meet the central fact of modern agriculture; enormous capacity to produce due to modern farm technology. Furthermore, present programs are not geared to the revolutionary changes in food distribution and merchandising.

NATION SUFFERS WITH AGRICULTURE

Farm programs are not only partly adjusted to the changed position of the United States in world affairs, and to world trade so vastly different from even 20 years ago that most of it amounts to state rather than private trading. Continuation of this situation will ultimately force the American farm family into a tightly regulated and regimented system of agriculture or into peonage. The consequences of this are suffered not only by those who till the soil but by the entire Nation. When farmers are forced by poverty to destroy their soil resources, the entire Nation is impoverished and future generations suffer the consequence.

Because agriculture has failed to adjust to these changed conditions, farmers are in the jaws of an impoverished cost-price squeeze. Unless relieved by adequate and realistic measures that are geared not only to the present but made adaptable to changes yet to come, the family farm is doomed.

NEED A MIDDLE COURSE FOR SURVIVAL

The social pattern of agriculture from which has come America's strength will be destroyed within 1 or 2 generations unless present alarming trends are arrested. It is our hope that we will seek a middle course which will prevent either the regimentation or the collapse of American agriculture and which will promote agriculture as a way of life for the families who work the land.

It is our hope that these policies will be adopted which will make it possible for the farm family to survive on the land under a system of free enterprise in which its high degree of ability and efficiency will continue to be an asset to the Nation and the world.

NEED BOLD, NEW CONCEPT

Times call for something more than temporary relief measures. Thinking must be in bold, new, realistic terms, unshackled by old habits of thought. Old programs should be reexamined in light of new situations and the best proven parts incorporated in a new program.

In designing farm legislation, do we begin with the farmer or with the consumer? Either would be proper since the goals ought to be identical and we know that the problems remain the same.

Agriculture should first be viewed in the terms of the entire national economy and especially in relation to other major segments such as labor, business and industry.

SIMILAR TO LABOR 50 YEARS AGO

Agriculture today is in much the same position that labor was 50 years ago and as business and industry were a century ago before businessmen took full advantage of corporate law.

Such labor as was organized at the turn of the century was divided into many craft unions. They had feeble bargaining power somewhat comparable to that of farm commodity organizations today. It took labor 30 years and a depression to obtain enabling legislation through the Wagner Act to get real bargaining power.

SPEEDUP IN AGRICULTURE

Among the similarities between labor years ago and agriculture now is labor's long struggle against piece-rate pay. That was an employer device to get more for less through the speedup. The same is illustrated today in the case of the much-publicized California cotton farmer who boasted how much cotton he could raise at a low rate per pound, thereby demonstrating—so he and the press said—that farmers can produce cheaply and do not need support programs.

BUSINESS HAS PROTECTION

Big business and industry were accustomed to taking great risks in the old days of free competition. It is almost inconceivable that our modern giant firms with their huge aggregations of capital could have developed on the old time partnership contracts. Businessmen got from Government a long time ago—so long ago that most have forgotten—the legal privilege of organizing corporations in which risk is limited to stock ownership, and the right to combine companies into giant concerns with immense bargaining power in buying and in rationing the market. All this within the antitrust laws.

DEPRESSION PROGRAMS INADEQUATE TODAY

Unlike business and labor, agriculture did not obtain from Government enabling legislation to permit similar use of bargaining power except for cooperative selling and buying. In its desperation after long years of semi-poverty, agriculture had bestowed upon it in time of great depression a group of farm programs that saved the day—but which have proven to be inadequate for the tomorrows.

But unlike business and labor programs, farm programs were and are Government programs—Government financed and Government-operated except to the extent that farmer committees participated in a limited way. It is these programs that have broken down. Labor and business got enabling legislation to achieve bargaining power and to use it for profit. Agriculture got direct aid, which is not only inadequate

to meet present and future challenges but is threatened by constant clamoring for reductions in expenditures.

MARKETS FIRST NEED

The problems of agriculture are national problems and their solution is in the national interest. Since it is conceded that the means of abundant production do exist, one of the first concerns should be markets for this production. Those who make use of this production have a vital interest in the availability of foodstuffs, and no program can be successful unless it considers the consumer. Any program must provide safeguards to assure an adequate supply of food.

Consumers will support our program when they realize that their interests have been considered and protected and that farm families are entitled to the same protections afforded under the law to other groups in our Nation. Small business will be protected as farmers will not need to look outside of their community for those things used in the operation of their farms.

AGRICULTURE NEEDS BARGAINING POWER

Agriculture must have enabling legislation to get needed bargaining power. It should not ask Congress, except as stopgap relief, for any greater privilege than was long ago legally given to business, labor, and industry.

Agriculture should be given legal authority to create the tools and mechanisms to assure farm families of the same benefits now enjoyed by business and labor. These tools should be used by farmers through elected farmer committees. Programs should be genuine farmer-operated programs, not Government programs nor make-believe farmer programs.

FIRST NEED ENABLING LEGISLATION

Government should help first through enabling legislation and then by furnishing technical help and guidance. It might also help, especially in the early stages in order to give farmers assurance and confidence, to underwrite prices and/or income. This would be relatively inexpensive if the programs are reasonably effective; if not, they should be abandoned or revised.

Such a program, a farm-gate regulation of marketing, is practical if farmers are ready to accept the responsibility and the individual and collective self-discipline required to regulate their marketings and curb present wasteful production. The feasibility of the program depends on farmer acceptance, commodity by commodity.

There is much evidence that farmers are prepared for drastic measures. They are probably more willing to accept tight controls, provided the rewards are commensurate with the sacrifices, than are most Members of Congress.

LET FARMERS DECIDE

The programs to be outlined proposed to put the matter up to farmers to decide through referendums. Let Congress provide the enabling legislation, then leave it to farmers to use it, decline to use it, or wait before trying it.

Acceptance would depend not only on the basic soundness of the program but upon how it is presented to farm families. A good educational program would be required, conducted by people who believe in farmers and their need for a program.

The basic assumptions in the proposed program are:

First. Production and marketings based on national need, including domestic and export requirements at prices fair to consumers and profitable to farmers.

Second. Administered farm prices set yearly by a national farm board made up of farmers with consumer representation. Farm costs and parity would be used as a guide, as would also employment levels and consumer incomes. This would include marketing quotas sufficient for domestic and export use. There is precedent for this procedure as the most profitable industries and the best organized labor unions operate by administered prices and wages.

Third. Production and marketing quotas based on bushels, pounds and bales—not acres. Among other things this would make it possible for the farm family to hold down its annual cash outlay and reduce their risk since it would not be necessary to overcrop the land as has been the experience with acreage allotments. Farmers would be permitted to carry over any excess production to the next marketing year and apply it to that year's marketing quota. The same would be true if he underproduced as he would be permitted to add the amount he did not produce to his next year's marketing quota.

Fourth. Write off CCC stocks as bought and paid for and convert them into a national stockpile to be disposed of only under specific circumstances as outlined by Congress. Do not permit them to any longer depress current farm prices.

Fifth. Decide what is the national need in exports and what farmers can sell in export without subsidy programs. Any excess above that farmers can sell in export without subsidy programs and which is needed in furtherance of United States foreign policy should be charged to the general public and paid for out of the Treasury. Had there been no surpluses, the United States would have sought increased production in order to meet its obligations as a leader in a hungry world. Farmers should no more be asked to produce at cut rates for food and fiber as a part of our national defense program than should manufacturers of airplanes and missiles.

Sixth. In developing a soil conservation program, decide what is in the farmer's immediate monetary interest and what is required by the people as a whole who need land conserved for future food. The proposed program will necessarily result in more good, tillable, idle land than the United States has ever had. Someone must take care of it and not let it run down. In the national interest its fertility should be increased. That someone must be the man on the land. But who should bear the cost?

Obviously some of the expense should be borne by the present generation of farmers and their heirs. Even if they don't use it, the value of their farms will decrease if the land deteriorates. However, a large part of the expense of soil conservation for posterity should be borne by the general public through taxes. To survive as operators of family-type farms, farmers must become as self-disciplined as labor union members and as realistic as big business. The proposals we have discussed have that effective and realistic approach.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman.

Mr. FULTON. Representing a metropolitan area, the question in my mind arises, why do those figures differ so much from the figures just released by the Department of Agriculture and the Department of Labor? Where does the gentleman get his figures? I am open-minded about this matter.

Mr. MARSHALL. I am glad the gentleman raised that point, because I had intended to make that clear in my remarks. All of the figures that I shall put in the RECORD come from four sources: The Department of Agriculture, the Department of Labor, the Department of Commerce, and the Bureau of the Budget.

That is where we get our figures. These figures I am discussing come from the Department of Agriculture. They are in the record of our hearings. They were discussed in the record of our hearings.

Mr. FULTON. As of what date are those figures?

Mr. MARSHALL. They were the latest available figures which were presented to us this year in the hearings.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. ARENDS. There are two questions that come to mind at the moment. If it is true, as the gentleman says, that farm income is down and consumer prices are up, the question is: Why?

Mr. MARSHALL. There are several reasons for that. I think one of the biggest reasons is also the information which we receive from the Department of Agriculture. That is shown on this table which I am putting in the RECORD. It shows the profits of the leading food companies. They took 59 companies and determined what the profits were after taxes. In 1952, there were \$310 million profits in these 59 companies after taxes. In 1956, which is the last year that they have the figures available, that showed \$490 million after taxes. That is one thing that comes into this particular figure. There are other things that come into this figure. Also, it is because we have a change of consumers demand. They want some of these in-built services. I mean by that the consumers want their meals put up in prepared form so that they may be heated and served and ready to eat. It is also a matter of increasing transportation costs.

Mr. ARENDS. Could it be summed up by saying that the cost of processing and of labor are the real reasons for the increased costs to the consumers?

Mr. MARSHALL. I think that all through this thing you will find reasons for the increase. But, what I do feel is that out of a number of these things we seem to be, so far as agriculture is concerned, going in two different directions. I mean by that to say that the Secretary of Agriculture has repeatedly made the statement that by increasing the volume of production he can make up for the decreasing prices. He does have control under his responsibility as Secretary of Agriculture of the means whereby he can do something about agriculture. But the Secretary of Agriculture has no means under his control, or at least he has very little to do with the policing of industry or labor or any other segment of the society. I am prompted to say, yesterday we passed out of our Committee on Appropriations a bill which provided for advances for industries which are in trouble, and labor which is in trouble, and where there is more unemployment—what happens? We here in the Congress accepted the recommendations of the administration and we decide right away that we are going to do something about that because the problem is critical. We have unemployment, a lack of demand for industrial goods. We do something about it. But, when it comes to agriculture we seem to be going in a different direction in that regard. There are a number of things that could be done along this line regarding agriculture which would, in my opinion, help to pull this farm economy up.

Mr. ARENDS. What I want to say to the gentleman is not intended to be critical, but I think it should have been shown that 54 percent of the farmers' income is derived from livestock and under the free economy livestock production is without any controls or supports today. In all fairness that we may have a complete picture, that factor ought to be taken into consideration in any discussion of this whole problem.

Mr. MARSHALL. However, I would remind the gentleman that on this chart we have here the principal feeds that are fed to livestock, I happened to be raised by a father who was a livestock feeder and who was very much interested in farming, and I always remember one adage that he pointed out to me and that is that, "Cheap feed will be followed by cheap livestock." And while that may not be entirely correct, it usually is.

[Mr. H. CARL ANDERSEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The time of the gentleman has expired.

All time has expired.

The Clerk will read the bill for amendment.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that the bill be considered as read and open for amendment and points of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. Are there any points of order? If not, the Chair will receive amendments. Are there any amendments?

Mr. H. CARL ANDERSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do so for the purpose of making good to the gentleman from Michigan [Mr. KNOX] my promise that he would have an additional minute or two, which I was unable to give him during general debate. I yield at this time to the gentleman from Michigan [Mr. KNOX].

The CHAIRMAN. The gentleman cannot yield time unless he desires to yield the floor.

Mr. H. CARL ANDERSEN. I am not yielding the floor, Mr. Chairman. I yield to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Chairman, I would like to direct a question to the gentleman from Minnesota [Mr. H. CARL ANDERSEN] or the chairman of the subcommittee [Mr. WHITTEN]. The report shows that the bill includes \$15 million for the eradication of brucellosis. In the past year, if my memory serves me right, there was \$20 million appropriated for the eradication of brucellosis. Is that correct?

Mr. H. CARL ANDERSEN. That is correct. I may say to the gentleman that that was an authorization upon the Commodity Credit Corporation.

Mr. KNOX. I fully understand the medium in which the funds were made available. Fifteen million dollars is the appropriation in this bill. Is it the opinion of the committee that this program is so far advanced and near completion that it is justifiable to reduce the appropriation for the eradication of brucellosis, which is a dread disease, and which is the cause of undulant fever, as far as humans are concerned.

Mr. H. CARL ANDERSEN. I may say to the gentleman the subcommittee is just as much interested as is the gentleman from Michigan in seeing to it that this dread disease is thoroughly cleaned up. We have provided the full amount requested by the Department. If it is proven that more money is needed early next spring to continue this work, on my own behalf I am willing to support a supplemental to take care of whatever is necessary.

Mr. KNOX. Is it not a fact that if the program is not near completion, the reduced appropriation will stymie the program of the eradication of brucellosis?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield.

Mr. WHITTEN. May I say that the committee has gone along with the full budget amount of \$15 million, the department having said that \$15 million would be ample to meet rate of progress required.

We were advised in our consideration that the Legislative Committee on Agri-

culture was considering legislation which would let them finance this program through Commodity Credit Corporation as they have during the past year. We made he comment in the report that should any necessity be shown for an increased amount that we trusted they would use such authority for use of Commodity Credit Corporation funds only to the point they might need them over the \$15 million. There was no proof to us that the \$15 million would not be enough.

Mr. KNOX. Has the gentleman any figures to show how many States are accredited as far as the eradication of brucellosis is concerned?

Mr. WHITTEN. I think the gentleman knows the full story. Four years ago the subcommittee insisted that this program be set up after the Bureau of the Budget had recommended its elimination. But where the Department says that this \$15 million will be enough to proceed expeditiously with the program all we could do was to rely on their showing.

Mr. KNOX. One other question, and that is with reference to the military fluid milk program for the Armed Forces.

Mr. WHITTEN. I would explain again that the fluid milk program and the use of milk for indigent people and others and its use in the schools is provided for by separate action. All we can do in this subcommittee is to restore the impaired capital of the Commodity Credit Corporation, and that is what we have done; we have restored the funds heretofore expended. I trust the programs will be continued.

Mr. KNOX. I am satisfied that there is no deletion so far as the fluid milk program is concerned in any aspect that relates to the basic legislation. I thank the gentleman for the information.

Mrs. KNUTSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. KNUTSON: Page 15, line 17, strike out "\$100,000,000" and insert in lieu thereof the following: "\$145,000,000."

(Mrs. KNUTSON asked and was given permission to revise and extend her remarks.)

Mrs. KNUTSON. Mr. Chairman, I rise to offer an amendment to the Department of Agriculture appropriations bill, H. R. 11767. On page 15, line 17, I propose to strike out \$100 million and insert in lieu thereof \$145 million.

This increase of \$45 million will increase the appropriation authorized for the school lunch program in fiscal year 1959 to double that authorized for fiscal years 1957 and 1958.

The subcommittee is to be commended for increasing last year's appropriation of \$100 million through the transferring of \$55 million from the funds available under section 32. This addition of funds is greatly needed for the purchase and distribution of additional agricultural commodities and food pursuant to section 6 of the National School Lunch Act. I heartily support the action of the subcommittee in the transfer of section 32 funds.

In 1947, the Federal average cash reimbursement per meal was 9 cents. Currently, however, in 1958, the Federal average cash reimbursement is estimated by the Department of Agriculture to be 4.3 cents. Based on the \$100 million which the Budget Bureau recommended for fiscal 1959, the average Federal cash reimbursement would drop to under 4 cents per meal next year. With the additions expected in school enrollments, we must begin now to enlarge the dollar appropriations for the school hot lunch program. It is necessary to increase this appropriation just to stand still at the present rate of participation in the hot lunch program, when consideration is given to the expected increase in school enrollments.

A good case can be made for increasing the dollar appropriations for the school-lunch program, considering the fact that considerably less than half of the public and nonpublic elementary and secondary schools are beneficiaries of the program. Moreover, only 11.4 million schoolchildren in these schools out of a total number approaching 40 million for the Nation, are participating in the school-lunch program—less than one-third.

To strengthen the case for additional appropriations under my amendment is the breakdown of the grand total spent for the school lunch program in fiscal 1957 between, first, cost to schoolchildren; second, Federal grant-in-aid contributions; and third, State and local contributions:

	Millions
Schoolchildren (and their parents) spent.....	\$418.2
Federal grant-in-aid amounted to.....	100.0
State and local contributions were.....	155.3
Total.....	673.5

Of the grand total, \$673.5 million, the Federal Government contributed only 15 percent; schoolchildren and their parents contributed 62 percent and State and local sources contributed 33 percent.

Local costs of the hot-lunch program amount to a substantial part of the total effort as these percentages indicate. This is indication also that the Federal funds channeled into the Federal hot lunch program stimulate proportionately greater expenditures at the State and local level.

Our children are our greatest national resource. We cannot afford economy that neglects their full physical and mental development. Midday hot lunches provide one-third of the daily food requirements at the peak period of their activity. For this reason, midday intake of food is important to the learning process.

Increasing the appropriation for the school lunch program will stimulate the economy all the way from the farm to school lunchroom tables.

Mr. Chairman, I invite support from the subcommittee and the Members for the increase of \$45 million in dollar appropriations which my amendment provides to increase the Federal grant-in-aid to the school lunch program.

Mr. WHITTEN. Mr. Chairman, I rise to speak on the amendment offered by

the gentlewoman from Minnesota [Mrs. KNUTSON].

Mr. Chairman, I enjoy my service on this subcommittee and have enjoyed serving as chairman of the subcommittee. One of the things that goes with such responsibility is sometimes having to stand by the committee position, even if your feelings are otherwise.

We are all great believers in the school lunch program. This subcommittee has worked untiringly in an effort to insist that the Department use section 32 funds to maintain the level of the school lunch program. It was this committee that year before last increased the budget by some \$15 million. And the committee increased it again last year. This year, in view of the fact that the availability of commodities has dropped way down, we have provided for a \$55 million increase by transfer from section 32 funds. We are trying to see both ends of this problem. We have made the change by turning funds from section 32 to section 6 of the school lunch program, which will result in a \$55 million increase in commodities that are available.

I do not believe we yield to anybody in our interest in this program. The gentleman from New York [Mr. SANTANGELO] has been particularly interested and helpful in handling the matter this year. And I do believe the program will come along better under the committee's proposal. That is the agreement between all parties.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Virginia.

Mr. JENNINGS. I think the committee is to be commended for transferring the \$55 million, but is this left to the discretion of the Secretary?

Mr. WHITTEN. Certainly the intent of the committee is that the funds must be used to purchase commodities. Section 6 proper has certain criteria by which purchases are made to make up a well-rounded school lunch. In transferring these funds from section 32 we felt obligated to direct that they be handled on a general basis but not as restrictive as section 32. In other words, they must be used insofar as possible consistent with section 32 purposes. Section 32 should be kept in mind as the funds are expended. That is for the additional amount of \$55 million.

Mr. JENNINGS. And as I understand the gentleman, we actually have \$155 million that the committee is directing the Secretary of Agriculture to use for the purpose of the school-lunch program.

Mr. WHITTEN. That is right. And we feel that that is as far as we could consistently go. And, I want to say again that the gentle lady is as interested in the school-lunch program as anybody in the Congress.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. POAGE. I wish the chairman would explain a little further about these instruction to use section 32 funds

only for the general purpose of section 32, because section 32 is supposed to be spent for surplus commodities.

Mr. WHITTEN. I agree with the gentleman, but we did not have that in mind. Under the law, unfortunately, the Department of Agriculture determines whether a surplus situation exists. In the judgment of a majority of the committee, many times such surpluses have existed, but because of a determination to the contrary by the Department, purchases have not been made. Under the committee's proposal, those that appear to be closest to surplus in the minds of the Department would have precedence over those that were not so determined.

Mr. POAGE. Can we understand that the committee is not binding the Department to simply spend this money to purchase the commodities that otherwise would be purchased under section 32?

Mr. WHITTEN. We are not so restricting the Department. We do not want it limited to section 32, which requires prior determination by the Department. But we want the school-lunch people to use this money to buy surpluses where they are not bought under section 32 because of lack of action under that program.

Mr. POAGE. Would the chairman agree to this, for the RECORD, that the provision is not intended to confine the expenditure of these transferred funds simply to surplus commodities but that they are simply to be given preference in purchasing and that any commodities needed for the school lunch program could be purchased out of these transferred funds?

Mr. WHITTEN. The gentleman is correct.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from New Jersey.

Mr. WIDNALL. I am very much in favor of the school lunch program as it has been projected over a period of years. I have listened with interest to the remarks of the gentlewoman from Minnesota where she quoted statistics of the children enjoying the school lunch program in relation to the total population. Is the answer: How many school districts actually want the school lunch program, and how many students are going to school and receiving possibly better hot lunches in their own homes than at the present time through the schools? Is that an actual portrayal of the program?

Mr. WHITTEN. Well, I do not know that I could say it is an actual portrayal. But, as I see it from the Federal Government's point of view, the school lunch program should be financed partly by local contributions, including payments by the children, which could be used and classified as matching funds. I will say that this program has greatly expanded because we have a Federal program. Because the investment by the Federal Government is available, it has served as a basis on which there has been a great expenditure of effort in connection with school lunches by the PTA's, the States, and various others at the

local level. May I say again that the committee has gone along on a sound basis, and I trust you will support the committee.

Mr. WIDNALL. I would like to commend the committee for its work.

Mr. WHITTEN. I thank the gentleman.

Mr. WILLIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to address myself for 5 minutes to that portion of the bill on page 18 dealing with the Sugar Act program. The committee recommends that the Sugar Act budget be reduced from \$76 million to \$71 million. Now, in order to understand the significance of that reduction of \$5 million, we should consider the basic provisions of the act itself, and after doing that I would like to direct a question to the chairman of the subcommittee. The Sugar Act, as those closely connected with it know, involves, of course, acreage control and compliance with other conditions. In other words, those farmers who comply with the act and the rules and regulations of the Department receive certain sugar-payment benefits. In effect, therefore, the Sugar Act constitutes a contract between the Federal Government and the sugarcane and beet sugar farmers who comply with the act and the regulations.

Let me make this point perfectly clear, that the Sugar Act program is not only self-sustaining but it actually produces more money than the cost of its administration. This is true because the program includes a processing tax of \$10 per ton. The consumption estimate of sugar in the United States for this year, 1958, is 8,800,000 tons. Therefore, a tax of \$10 per ton will mean that the program itself brings in or will bring in this year \$88 million. The budget estimate submitted to the committee was \$76 million as against a return through the processing tax of \$88 million or a net income to the Treasury of \$12 million.

Because of early maturity of sugarcane in Puerto Rico, the Department of Agriculture can get by with postponing the payment of sugar benefits in any 1 year to the next succeeding fiscal year. For example, the sugarcane harvesting is going on right now in Puerto Rico. The harvest will go on until about May. Therefore the Department of Agriculture can well afford not to pay for the current crop until the funds for the next fiscal year beginning July 1, 1958, become available. But that is not true with domestic beet and sugarcane.

And so the committee, in the last couple of years, has been deferring payment, which up to now has been a book-keeping affair, but we have now caught up with the facts of life. That is the significance of the last sentence at the top of page 28 of the report where it says:

Also, a portion of the increase is required to make payments on a small part of the 1957 crop which could not be made from funds available for 1958.

That meant that last year the committee took into consideration that the current crop now being harvested in Puerto Rico would be paid under the

fiscal 1959 budget beginning July 1 of this year. But if you are going to repeat these deferrals of payment, you will get caught up with, and there will be no money to pay domestic farmers. In fact that is exactly what has happened. You cannot continue deferrals. Right now, what will happen under this \$5 million reduction, I am afraid, is that the payments to the domestic beet and cane farmers will be in jeopardy.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. WILLIS] has expired.

(Mr. WILLIS asked and was given permission to proceed for 2 minutes additional.)

Mr. WILLIS. Mr. Chairman, I am quite sure that the committee has taken those factors into consideration. Nevertheless the figures I have just related come from the Department of Agriculture. The Department is quite disturbed about repetition of the deferral, which has caught up with us right now. I am wondering what the disposition of the chairman as to that problem is. Let me tell the chairman that we sincerely appreciate the work of his committee. These payments must be made, and I know the committee intends to make them, but what are we going to do now? We have come up to the saturation point of deferral.

Mr. WHITTEN. It comes back again to whether or not the estimates the gentleman has quoted are accurate. We have learned from experience that the Department cannot always estimate domestic consumption and other factors. Taking our own figures, we feel that what we have in the bill is ample as far as we can see. This bill will go to the other body, and in the meantime if the figures get more accurate we will take them into consideration in conference. The committee recognizes that this obligation must be met, and has every intention of really meeting it. We did it based on our own experience that the funds are adequate.

Mr. WILLIS. I appreciate the gentleman's remarks, and rely on his help to work this problem out in conference.

Mr. HAGEN. Mr. Chairman, I move to strike out the last word, in order to ask the gentleman from Mississippi 1 or 2 questions.

On page 22 of the committee report with respect to the school-lunch program it is stated that the committee recommends the full budget estimate for the fiscal year 1959, a continuation of the appropriation authorized for the fiscal years 1957 and 1958. On page 23 it is stated:

It is significant to note that the average cash reimbursement per meal from Federal funds has decreased from nearly 9 cents in 1947 to an estimated 4.3 cents in 1958.

My question is this: Under the action of your committee this Federal cash contribution per meal will remain at 4.3 cents or less. Is that not correct?

Mr. WHITTEN. That is correct. We felt that, whether or not we gave cash, it might be better for the committee to enlarge this program by the transfer of section 32 funds, \$55 million of which are transferred in the bill. Then you serve the double purpose of having those

funds expended for the general purposes of section 32, and also for the school-lunch program. So we felt that we were serving the double purpose of taking care of the purposes of section 32 and the school lunches. With more commodities, you would not need cash to the same degree. So it is on that basis the committee acted.

Mr. HAGEN. I thank the gentleman.

By reason of the fact of an inadequate cash appropriation for the school-lunch program I should like to speak in support of the amendment of the gentleman from Minnesota [Mrs. Knutson] which adds, I believe, \$45 million to the committee action for this cash contribution. As I understand it, a requirement for participation in the Federal school-lunch program is the establishment of a meal conforming to standards specified by the Federal Government, and these donations of food from the section 32 or other surplus disposal programs do not often meet the criteria of that meal, which means that to the extent the Federal Government fails to adequately contribute in cash the local school district has to pick up that cost out of its own funds. In most areas the only tax base the school district has is the ad valorem real or personal property tax, an already overburdened tax. It is my understanding that this contribution of only 4.3 cents per meal is causing a real problem in California and other places.

In the light of these high standards for the meals required for eligibility in the Federal program, many school districts, including some I believe in San Diego, which is a relatively wealthy area, are dropping participation in the Federal program. I am certain that the same situation exists in other areas, and for that reason I feel the request of the gentleman from Minnesota for an additional amount of money for this program is completely justified. As I have indicated, earmarking of \$55 million of section 32 funds to be added to an inadequate \$100 million basic appropriation is a poor answer to the need for more money. The committee itself recognizes this fact in its statement on page 23 of its report. The report states that numerous organizations and persons requested added appropriations with suggestions ranging from \$130 million to \$200 million. With reference to this testimony the committee says, "There is considerable justification for these proposals in view of the increasing numbers of children participating in the program and the increased prices of food."

I would predict that this program will expire or be severely reduced if the Federal cash contribution is not increased. This would be tragic. I would judge that we are entering a period of increased Federal spending in response to the problem of the recession. I can think of no program which more rationally deserves increased expenditure than the school-lunch program. If people are unemployed it is unquestionably true that their children probably receive inadequate diets at home. The school-lunch program will help with this problem. There is much concern over the problem of farm income occasioned by farm sur-

pluses. I am certain that the votes of many Congressmen and Senators for the school-lunch program were made solely on the basis of assistance to farmers. To these people I say that increased appropriations for the program will benefit farmers. These are practical arguments advanced in the hope of getting the maximum support for the amendment of the gentleman from Minnesota; however, this amendment should not have to depend on these collateral considerations. The school-lunch program should be adequate in scope and supported by Congress solely for its obvious purpose of providing wholesome diets to children who would not otherwise have them.

Mr. POAGE. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I would like to ask the chairman of the committee, who I think has done an excellent piece of work on this bill, to explain some of the details. Possibly some of us who have not followed the detail work from day to day are a little hazy on some points. I think this committee, as always, has brought in a very creditable bill and one of which the entire Congress should be proud. But, of course, I am sure the members of the subcommittee as well as the Members of the House will find that there are items in it for which they would prefer to have provided some other amount. For that reason, and not by way of criticism, I would like to consider several of the items.

One is the conservation reserve program of the Soil Bank. I note with satisfaction that the subcommittee has put an effective brake on an acreage reserve program for next year by providing that no money shall be expended for planning a program next year. This is as I think it should be. I think we would have saved much trouble had we abandoned the acreage reserve program last year. But, we did not do so. Later, it became our duty to provide the money for the program we had authorized and that was done as it should have been. But, with the abandonment of the acreage reserve program, it had been the hope of many of us that there would be special emphasis placed upon the conservation reserve. As I understand it, the subcommittee has, in effect, reduced the legislative authorization for the conservation reserve by \$150 million. Is that about the effect of it?

Mr. WHITTEN. That is correct.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. H. CARL ANDERSEN. I might say to the gentleman that that is the case, that we have reduced the amount from \$450 million for the announced program of the crop year, 1959, down to \$300 million.

Mr. POAGE. You go a little further than that, if I read this correctly. You provide that in the future it should not go over or exceed that amount.

Mr. H. CARL ANDERSEN. No, that is not the case; nor is it the intention so far as I am concerned.

Mr. POAGE. That is what I would like to know. What does that language mean which says that each year it cannot exceed \$300 million?

Mr. H. CARL ANDERSEN. I might say to the gentleman that there is no intent so far as I personally am concerned to agree to any such limitation. Whatever language is in this report, and speaking for myself, is based only relative to the program for 1959. I want to inform the gentleman that I am entirely in agreement with him that we should accentuate the conservation reserve from now on. But, I did agree with the subcommittee and with the other members of the subcommittee on a compromise of this question. I had difficulty, I might say to the gentleman, in securing the amount of \$300 million to be put into this bill. I wanted \$400 million, but as one of the original sponsors of the Soil Bank in the Congress along with the gentleman from Minnesota [Mr. MARSHALL] I am also interested in seeing this program, and I am sure the gentleman from Texas [Mr. POAGE] agrees with us, as I say, I am also interested in seeing that this program should not mushroom and become discredited because of certain practices which it is always difficult to keep out of a new program. That is my position, may I say to the gentleman from Texas. Let me assure you I agree with the gentleman that this should be the program of the future.

Mr. POAGE. I appreciate that. Now did I understand the chairman to say that he also agreed that this was not intended as any limitation beyond this year?

Mr. WHITTEN. On page 26 of the report, we provide the following:

For the 1959 crop year, the Committee has included a program authorization of \$300 million. This should allow adequate funds to meet the needs of the program on a sound basis for the next fiscal year.

So we refer to the next year only. We have never announced the program for more than 1 year under the general practice.

Mr. POAGE. But, the thing that disturbs me is on page 17 of the bill where this provision is found on lines 9 and 10 to the effect that none of these funds can be used for a program which would require payments to producers in excess of \$300 million in any calendar year. If I understand you, you are now telling us that that applies only to the next fiscal year; is that right?

Mr. WHITTEN. They cannot plan for more money than is in this bill. That would be reviewed each year. This bill is for 1 year only.

(By unanimous consent, Mr. POAGE was granted 5 additional minutes.)

Mr. WHITTEN. The bill, being for 1 year, would in no way control what might be done in following years. The language might have been worded somewhat differently, but certainly nobody is trying to control what would be done next year in this bill.

Mr. POAGE. I felt sure that is what the committee intended, but I wanted to make it clear that you are not making a limitation for future years.

Now, I would like to ask about the action taken in regard to the watershed program, under the Flood Prevention Act. You have increased the budget estimate rather substantially. For one,

I want to commend the committee for this action. However, I believe you kept the appropriations down approximately as low as they were for the past year. I presume that was done on the theory that all of the money was not used this past year. Am I right?

Mr. WHITTEN. That is right. It was the belief of the committee that this is about as much as they could actually use. They have certain administrative procedures, and certain contracts have to be entered into, and since they will have this carryover from the present year, we felt this was all that they could use.

Mr. POAGE. I wonder if the chairman would agree with me that if we would give the Soil Conservation Service a substantial increase in their money for engineering and for planning that we could and should properly use a much larger sum of money each year in this work.

Mr. WHITTEN. I think it would be more complex than that. I do not feel we have been hampering them too much because of lack of appropriations.

Mr. POAGE. In the State of Texas there are about 150 applications pending. There is only 1 survey or planning party in the entire State, and they can only handle 2 projects a year. That means, in the course of 75 years we would just about be up with the projects now pending, if there were no others asked.

Mr. WHITTEN. May I say to the gentleman it would be impossible for this subcommittee to meet all the needs of Texas. But we have provided \$2½ million additional for the Soil Conservation Service.

Mr. POAGE. I think that is a step in the right direction, although I should have preferred considerably more money both for planning and for construction.

Mr. WHITTEN. I do not think the absence of money in that field has been as much of a drawback as sometimes has been claimed.

Mr. POAGE. I appreciate the gentleman's explanation.

I wish to state to the membership that while I very much appreciate what this committee has done, in an effort to try to give us a program at least comparable to that of last year, it has been my hope and I still hope that before this bill becomes law it will have in it possibly twice as much money for this program.

Mr. WHITTEN. This bill does have about twice as much money as they used this year.

Mr. POAGE. That is correct, but it does not have twice as much money as we had appropriated last year, and it does not have twice as much money as we could use. Obviously, the farther down the line you go, the more of these projects you have planned and ready to go, the more money you can efficiently use. In your early years you are limited. I have repeatedly said I would not ask for a hundred million or five hundred million even if I could get it. I would not want it, because I believe it would lead to extravagance which would destroy the program.

But it seems to me this program has been so widely and so well accepted that certainly we could put at least \$50 million to good use here, even with entirely normal conditions. In view of the depressed economic conditions, I should think that this should be looked upon as a minimum figure.

We are considering the expenditure of funds for extensive public works, and in just a day or two we are going to vote \$1.5 billion for roads—and I am not criticizing roads; but, obviously, there is no program that means as much to the people of America as that of conserving their resources; and when you conserve your water resources you conserve your soil; and, without the conservation of these resources, the other programs are going to fall of their purpose. Super-highways will be of little avail without water for our cities and productive soil for our farms.

I shall not offer any amendment here, because I realize that, should it be rejected, and unless the committee could see its way clear to accept it, it would be defeated; it would serve as an instruction to the conferees to oppose any such increase should it be made in the other body. I do, however, indulge the hope that, should this amount be increased, the subcommittee will accept the increase.

Mr. H. CARL ANDERSEN. Mr. Chairman, I move to strike out the last word and wish to ask the gentleman from Texas a few questions.

Mr. Chairman, I want the gentleman from Texas to know that he has made practically my speech on this subject. I feel that at a time like this when we are trying to find places to put men back to work, there is no better place than to accentuate, as quickly as possible with surety of getting a good job done, what we term the watershed protection program and the flood prevention programs. Certainly if we can spend an additional \$1,500,000,000 on the highway construction program in this 1 year alone, I may say to the gentleman from Texas, we can certainly spend \$50 million on these 2 items we are discussing here.

The gentleman well knows that it is due to the lack of technicians on the part of the Soil Conservation Service that we have been unable to push the work to the point the gentleman from Texas and I would like to see it pushed.

Mr. POAGE. The gentleman from Minnesota has said exactly what I would expect him to say, because he has been one of those who has been working very hard on this program. As he has pointed out, one of the weaknesses of this program is the lack of technicians. I think we should do something to get enough people to carry out the program.

Mr. H. CARL ANDERSEN. Not only that, but may I tell the gentleman also that I made an effort in our subcommittee to give \$5 million additional to Soil Conservation for operations, not the \$2,500,000 which the subcommittee finally agreed to, but I wanted an additional \$5 million in there.

If each year we increased the financing of soil-conservation operations throughout America by at least \$5 million above

what we have in this bill, I think we could come to the point where we would have sufficient technicians to do the job.

In one of my counties alone last year we lost \$18 million because of a flood. The big bulk of that could have been controlled and prevented had a watershed been in operation as we hope to see many of them in operation in a few years.

I want to pay a compliment to the gentleman from Texas. I recall when I first became interested in this particular work, I followed the lead of the gentleman from Texas, and his work to prevent soil erosion through watershed protection, and I complimented him for his unceasing effort along these lines through the years.

Mr. POAGE. May I point out to the gentleman from Minnesota that we did not hesitate to authorize a program of \$30 billion for superhighways simply because we did not have the engineering. We did not have it; we have not got it today, yet this House within a day or two is going to supply \$1,500,000,000 to expedite work on the highway program even though we do not have the engineering done. Why should we be so reluctant to undertake a program that involves an infinitesimal part of that great sum, but which will return even greater long-range benefits. Why should we be so reluctant simply because we do not have enough technicians. We can get them if we are willing to pay them enough. The highway program is going to dig for some of these very men. I would like to see the Department of Agriculture in a position where they could bid for the technicians to do this great soil-and-water conservation job. I hope the other body may see fit to give us some relief in that respect. I feel sure that if they do, members of this subcommittee who will serve on the conference will try to keep it in the bill.

Mr. MILLER of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask the chairman of the committee a few questions relative to the school-lunch program and what will happen to the section 32 funds. I am not an expert in this field but, as I understand it, section 32 funds involve money raised from the tariff on certain agricultural commodities, which funds are set aside to be used for the stabilization of the prices of perishable commodities; is that right?

Mr. WHITTEN. It is primarily that. There are other authorities in the act, certain other limitations and certain other uses than can be made.

Mr. MILLER of California. I am very sympathetic to the school-lunch program, but I would like to know whether the diversion of \$55 million from the section 32 funds into this program will deplete that fund to the place where it cannot be used to stabilize perishable commodities?

Mr. WHITTEN. May I say that any unused section 32 funds revert to the Treasury. The very purpose of putting that provision in this bill was to keep what the gentleman is referring to from happening. The Department has been

very slow in using section 32 funds as provided by law. That is one of the reasons the funds were moved here so they would be used. Then there would be no excuse for not making a direct determination, which sometimes has not been made in the past.

Mr. MILLER of California. Section 32 funds have been used in the past to the advantage of those people who produce perishable commodities. I would not want to see anything happen to it. I would not want to see this fund diverted so as to support other commodities that are not perishable. I want to make sure this is not a subversion of these funds, using them for something else.

Mr. WHITTEN. There may be a few other commodities, but anything that is edible would fit into the school-lunch program and would fit the general definition of "perishable."

I assure the gentleman our purpose here is to make better use of section 32 funds than heretofore and to make better use of them in the school-lunch program. I do not think it would affect the problem at all except to make it better.

Mr. MILLER of California. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mrs. KNUTSON].

The amendment was rejected.

Mr. REUSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REUSS of Wisconsin: On page 17, line 21, strike the period and add the following language: "Provided further, That such limitation for conservation practices shall not apply to wildlife practices."

Mr. H. CARL ANDERSEN. Mr. Chairman, I reserve a point of order against the amendment.

(Mr. REUSS asked and was given permission to revise and extend his remarks.)

Mr. REUSS. Mr. Chairman, this is a very simple amendment. Conservationists and sportsmen vigorously supported the adding of wildlife conserving practices to the conservation reserve when the Soil Bank was adopted 2 years ago. For the first time, we recognized that the farmer who followed sound wildlife conservation practices should be adequately compensated for doing on his land what benefited the entire country. Under the conservation reserve, the Department of Agriculture has approved paying farmers up to 80 percent of the cost of such wildlife conserving practices as planting food and cover for wild game, and creating or restoring marshy areas for waterfowl.

The committee bill, page 17, lines 15 to 21, cuts down the cost-sharing by the Federal Government for conservation practices from the present 80 percent to a maximum of 50 percent, which is the maximum provided under the ACP program.

I do not question the wisdom of the committee in cutting down from 80 to 50 percent the cost-sharing practices with

respect to soil and water conservation practices, because there is a great direct benefit to the farmer. I accept the committee's judgment that a 50 percent sharing is enough to secure widespread participation, but when you come to wildlife participation payments and want to cut them down from 80 percent to 50 percent, you are going to end, in effect, the wildlife practices part of the conservation program. I am afraid if you cut it down to 50 percent, since there is very little in it for the farmer, he is just not going to see his way clear to install the sound wildlife conservation practices that Congress intended in the authorization act. I know that the chairman of the committee, the gentleman from Mississippi [Mr. WHITTEN] and the ranking minority member, the gentleman from Minnesota [Mr. ANDERSEN] have done a wonderful job in connection with this worthwhile conservation reserve, and I think with my little amendment it will retain the enthusiastic support of city conservationists as well as country conservationists, and I hope the amendment will pass.

Mr. H. CARL ANDERSEN. Mr. Chairman, I withdraw my reservation of objection.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in the agricultural conservation program there was a good deal of feeling that we should not include a program for wildlife refuges and things of that sort. It was included, however, and the Department of Agriculture appropriation bill carries money for carrying on practices on wildlife refuges. Now, if the gentleman's amendment is adopted, it means that if you go into that type of an area the Government would pay full rent, and the record shows in some cases it would pay for the land in 3 years. Then in addition you would pay 80 percent of the cost of the program.

I think the whole program, to be frank with you, lacks a lot of being sound. In this language we try to bring it down to a sound operation by providing that they cannot pay rentals in excess of 20 percent of the value. Then we provide that the contribution from the Government for conservation practices should be in line with the agricultural conservation program, where the average is about 50 percent of the cost.

I would certainly say, if you go along with us and want to make a sound conservation program, you should not want to make an exception of one part of the program which contributes very little to agriculture. Certainly you would not want to pay 80 percent, plus a rate of rental that would equal the value of the land in 3 years.

I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. REUSS].

The amendment was rejected.

Mr. MARSHALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the American farmer and the American consumer today face many problems which they share in common. One of these problems centers

around the market for good pork. The hog plays an increasingly more important role in our economy and on the dinner table.

Through the years, the hog has become the symbol of greed. Applied to enterprises or individuals, the word means those who take selfishly or in excess of their due. Also, a hog—not unlike some newspaper columnists and a few politicians—has a reputation for wallowing in the mire. This is, of course, a popular misconception since any farmer can tell you that the hog is a clean animal if given the opportunity.

In one of his essays, Charles Lamb tells us that the hog was responsible for one of the great disasters of China. According to his account, a pig was trapped in a burning house and when all was lost, the owner was so taken by the appetizing odor of the charred animal that he tasted the meat. He spread the word of this delicious new food discovery across the land. To share in this delight, people everywhere locked their pigs in their houses and burned down the houses.

CONSUMERS WANT LESS LEAN PORK

Be that as it may, we are doing something almost as ridiculous today. What we are doing might be almost as funny if it were not also as pathetic. The consumers of this country want lean pork. There is ample evidence of this demand at every meat market in America. The American farmer can produce lean pork, or, as it is popularly called—a meat-type hog. The American farmer needs an outlet for his feed grains. There is no more efficient machine for converting grain into meat than the hog. It has become the symbol of greed partly because of its notorious appetite.

Crocodile tears have been shed because Henry Wallace once wanted to keep these darling little pigs from growing into hogs, as the headlines of the time said. It might be more appropriate if a few of these tears were shed today for the American consumer and the American farmer who are now at the mercy of the middleman in the hog business—the packing industry. If the hog is the symbol of greed, we sometimes wonder if the industry has not been unduly influenced by its close association with the animal.

SPENDING LESS FOR PORK

Have you ever bought pork in this city? In the stores in which we trade, we rarely see good, fresh pork on display. The few times we have been tempted to try it, we have been disappointed. We prefer lean, firm pork which is wholesome and delicious, not the soft, greasy product offered on the market today. We apparently are not alone in this preference. Department of Agriculture figures show that the percentage of the consumer dollar spent for pork dropped from 3.3 percent in 1947 to 2 percent in 1957, a period of 10 years.

The percentage of the consumer's dollar spent for beef during the same period remained relatively stable at 2¾ percent.

Does this simply mean that our eating habits have changed? I do not think so. My family would still prefer good pork and there is ample evidence that other

families share this desire if quality products are available.

FARMERS WANT TO PRODUCE LEAN HOGS

Let us look at the farmer's side of the coin. My father was enthusiastic over the possibilities of bacon-type hogs—as they were then called—when he was a young man. After graduation from our agricultural school in St. Paul, one of his first ventures in farming was the purchase of Yorkshire bacon-type hogs as breeding stock.

The St. Paul packing industry became interested in this type of production and for a short time paid a premium on the market. The industry then, too, was lean and hungry, but as it became fatter it became complacent and emulated the hog in other ways. Except for sporadic efforts, it still slumbers while the market for its product deteriorates to an alarming degree.

MEAT DEMAND UP—LARD DOWN

The packing industry lost interest in quality and relied instead upon volume for its profit. To some extent, this attitude was justified because the demand for lard was almost as great as the demand for lean meat in the early part of this century. The situation has changed. In 1956, according to the Department of Agriculture, lean meat was worth 89 percent more than live hogs while lard was worth 31 percent less, pound for pound. But like Rip Van Winkle, the industry slept on.

CANADIANS TAKE OVER MARKET

In the meantime, what have our fine neighbors in Canada been doing? They came down into the United States to buy breeding stock for a new kind of hog production. My father was one of those who sold good breeding stock from his swine herd to Canadian buyers. They went into the production of meat-type hogs which earned a premium in the market place. Their judgment paid off. To this day, a premium is paid in the market for a quality product that has earned a worldwide reputation. Go to any eating place where quality food is served and you will find Canadian bacon on the menu. During a recent trip to South America by air, we were served an excellent meal aboard the plane—the meat dish was Canadian bacon.

American agricultural research since 1900 has done a remarkable job in developing and promoting breeds of hogs which produce quality meat.

The extension service has done an excellent job in making information based on this research available to farmers. Our farmers are willing to take advantage of the advances made in this field if they are given the opportunity.

USE AMERICAN RESEARCH

Over the years, Congress has made money available for this valuable work. But who has been taking advantage of it? Our neighbors north of the border, the Canadian hog producers.

A year ago this subcommittee on agricultural appropriations initiated a study of the Canadian system of quality pork production. Preparatory to that study, I made an inquiry concerning the difference in carcass value between meat- and lard-type hogs. A prominent Canadian

educator in the field of agriculture referred me to a bulletin which he described as the best work he knew on the subject. Where did it come from? From our own University of Minnesota.

EMPHASIS ON WEIGHT, NOT QUALITY

Now, we are proud of the work done in this field by the University of Minnesota and we are happy that it is useful to farmers everywhere. My own disappointment, however, arises from an experience I had on my own farm at about the same time. We had a good load of hogs ready for market when our trucker said, "Fred, you have some nice hogs but you had better put in a few skinny runts or the buyers will cut the price on you." We picked out three lightweight pigs and added them to the load. That brought the weight down so that they could be sold for the top price in the market.

The quality of the hogs had little or nothing to do with the price the packers' buyer would pay. The price was determined solely by weight. These hogs were sold within 20 miles of the same University of Minnesota which produced the excellent study on the difference between the carcass value of meat- and lard-type hogs. And, as you all know, the State of Minnesota borders the Dominion of Canada.

CONSUMERS AND FARMERS WILL RESPOND

We sold our breeding stock to Canada. We furnished them with the results of our research. To their credit, they put the two together in a thriving industry. In the meantime, our industry slumbers on.

A subcommittee of our Committee on Appropriations held a hearing at Morris, Minn. Testimony from county agents in the area impressed upon us the importance of premium payments for meat-type hogs. From their experience, they assured us that farmers would respond immediately to a demand from packers for quality meat-type hogs. I believe they will and I know that consumers will respond to an even greater degree in the meat market.

There are signs of an awakening in this country. At the insistence of our subcommittee, the Department of Agriculture sent a group into Canada to look into the situation. A report of the findings will be found on page 1339 or part III of our hearings on the Department of Agriculture Appropriations Bill. One fact that will immediately stand out is that there is a differential of \$4.50 between grade A and grade C hogs in the 200-pound class on the Canadian market.

NEED FOR PRICE DIFFERENTIAL

Taking into account the difference between Canadian and American cuts, there should be a spread of at least \$1.60 on 200-pound hogs of different quality in our market. Canadian producers obtain an additional advantage by a special method of trimming fat and by use of an established method of quality acceptance. I suggest, Mr. Chairman that we ought to learn more about the job that has been done by our Canadian neighbors and that we ought to keep in close touch with these developments.

There is a small ray of hope appearing for the American consumer and the American producer of pork. The American Meat Institute announced last summer that buyers stand ready to take properly sorted hogs on a merit basis. There are also a few packers who are trying to be fair about the price and quality situation. In our State, the Hormel Packing Co.—the same company so highly lauded during debate on the humane slaughter bill—has established a policy of processing good quality meats. In so doing, the company pays a premium to the producer of high-grade hogs.

FARMERS LIKE HORMEL METHOD

How do farmers like this? Wallace's Farmer, a leading farm magazine, put this question to its readers a year ago. Two-thirds of the farmers polled favored the method of purchase used by the Hormel Co.

I have introduced a bill, H. R. 8863, to enable the Department of Agriculture to use incentives to encourage marketing of hogs at lighter weights. The same magazine polled its readers on this proposal and 55 percent of them approved of this plan. Only 29 percent expressed some disagreement. A similar bill of mine was opposed by the Secretary of Agriculture in a report made on April 11, 1956.

AGRICULTURE DEPARTMENT BALKS

Among the reasons given by the Department in opposition to my bill were these:

It is believed that the majority of hog producers oppose a program that would lead to Government regulation of production and marketings. * * *

Payments on hogs would have the effect of setting a precedent for similar payments on beef cattle, poultry, and other livestock products.

At this point, it is interesting to note the remarks of Mr. Lyle Lamphere of then Central Livestock Association, a cooperative commission agency on the South St. Paul market, made before a meeting of the Minnesota Farm Managers Association in St. Paul, in January of this year:

Whether or not the trend will be toward production of leaner, meatier hogs depends upon several factors, and one of them is the system of marketing. There are many who say that if sufficient price reward is paid for meat-type hogs, that such hogs will be produced. This is a challenge that has been squarely faced by the Central Livestock Association for nearly 20 years. * * *

N. K. Carnes, general manager of your Central Livestock Association, back in the early 1940's called meetings of packers and other marketing interests of the South St. Paul market in an effort to inaugurate a method of selling live hogs on the hoof, on such a basis that quality would be recognized in the determination of their value. Many hogs at that time were being sold on a weight basis alone. Unfortunately, this missionary work was at first not too favorably received. * * *

Now there is something that is even more important to all hog producers than the selling of meat-type hogs on a merit basis, and that's the general level of hog prices. Interest in hog production is dependent upon adequate financial returns. When hog

prices are severely depressed, interest in the production of meat-type hogs declines also.

In spite of all the work this selling agency has been doing, proper attention is still not being given to the value of lean meat hogs.

SOME SIGNS OF INTEREST

Because they are unable to get the proper return in the market, some producers are seeking contracts with the packing industry. An article in the April 1958 issue of the Farm Journal describes the use of lease breeding arrangements.

These are some of the indications of renewed interest among sellers and packers. Consumers and farmers, as well as the great majority of our county agricultural agents, have long been alert to the possibilities of improving the quality of pork on the market.

DEPARTMENT REVERSES ITSELF

The Department of Agriculture itself submitted an excellent report on the subject after it was suggested by our subcommittee. In strong terms, the report stresses the value of selling hogs on a merit basis. Despite this, and despite every experience to the contrary, here is the reply we got when we suggested that such language might be written into law: "The Department of Agriculture is not at this time in a position to suggest legislative language to force the marketing of hogs on a mandatory sorting or grade basis. Rather, the Department believes improvement should come through research, education, and the voluntary efforts of producers, market agencies, meatpackers, and others, including the wholesale and retail trade."

This is the answer we get, Mr. Chairman, after all the years of wishful thinking, all the years of inactivity on the part of the trade, and at a time when hog producers are losing their markets. Is not this "solution" about as ridiculous as burning down houses to roast pork? At least the Chinese described in Charles Lamb's essay did get pork for dinner, which is more than we can say will happen under the Department's so-called solution. The time for study is past. The facts are on the record. Constructive action now can regain a hog market and expand the use of pork products.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this in order to get some information, if I can, from the committee in regard to the amount of funds we presently have in foreign currencies generated by Public Law 480. I notice on page 24 of the committee report that there is some discussion of the fact that we have been selling a lot of these surpluses for dollars, but obviously a great deal of those surpluses has been sold for foreign currencies. There seems to be no breakdown. I wonder if someone from the committee could tell me how much in 1957 was sold for dollars and how much for foreign currencies.

Mr. WHITTEN. May I say to the gentleman that the committee requested that information and I am sure it is in

the hearings. It is taking a moment to run it down.

Mr. CURTIS of Missouri. I have checked the hearings and on page 944 I find some information on the subject, to the effect that the total agricultural exports in 1957 were \$4.7 billion; \$1.9 billion of this amount was exported under Government programs, and \$2.8 billion worth of agricultural commodities were exported commercially for dollars. Of this \$2.8 billion \$1.7 billion was exported at prevailing domestic market prices. The remaining \$1.1 billion was exported at less than domestic market prices and had a domestic market value estimated at \$1.4 billion.

That still does not give the information. I suppose the answer is that \$1.9 billion was sold for foreign currencies. Would that be a correct conclusion?

Mr. WHITTEN. Part of that was donated and part was by sale for foreign currencies. I have before me a table which the staff has procured from various pieces of information that appear in the record. I could read that for the gentleman, if he wished.

With regard to Commodity Credit Corporation commodities at their cost value—that is the Government investment—for 1957 the total disposition—that is the word they use—was \$4,267,800,000. The dollar sales were \$2,326,500,000. Barter, donations, and grants, \$1,258,100,000. Sales for foreign currencies, \$623,200,000.

Those are the figures brought together by the staff from various information supplied by the Department.

Mr. CURTIS of Missouri. I thank the gentleman.

On page 998 of the hearings you do have some totals of the amounts of foreign currencies that are programmed. I presume those are under the Public Law 480 agreements. They show that the amount of those programings is around \$2,294 million.

How much do we have and what are the present balances in foreign currencies generated under Public Law 480 agreements, if the gentleman can tell me?

Mr. WHITTEN. I am sorry, we do not have that information available.

Mr. CURTIS of Missouri. What I am getting at is this. It is very difficult to follow just what we are doing with these tremendous sums of money that are generated under Public Law 480. When we have the Subcommittee on Appropriations for Foreign Affairs and discuss the foreign-aid program it is very difficult to get this information from them. So now I am starting at this point to see whether this committee looks into the programs for which this money is being used, because they are identical to all the foreign-aid programs under the conventional method of paying for them.

Mr. WHITTEN. I agree with the gentleman so far as the difficulty of getting the information is concerned; but I assure the gentleman that the slowness with which he is getting it from this committee does not come from the same reason on our part, perhaps.

Mr. CURTIS of Missouri. I am sure it does not. If anything, I want to strengthen the gentleman's position.

Mr. WHITTEN. The State Department and the Treasury Department have control of these funds. As the gentleman is aware, in advance of the sale there is an agreement on the use of the funds. Our committee does not come into the picture except to the extent that these foreign currencies are used to promote markets and certain other things that have to do with the Department of Agriculture. For that reason, I think their figure very frequently is not as complete as it could be. This is the first year we have had a chance to go into it. I am sorry our information is not complete. We have on page 998 an estimate of the total amount the currencies would be under all the agreements. Whether the agreements have been carried out I am not in position to say.

Mr. CURTIS of Missouri. I commend the committee on their efforts and urge them to continue their efforts and go further, because apparently these funds are not pegged down. I commend the committee for making some effort at any rate to figure out how much should be apportioned to the agricultural program and how much should be apportioned to our foreign aid program. I think very particularly there is some balance that should be struck, but I think we have come up with no real answer on that.

Mr. WHITTEN. I do not think we did. We for the first time here approved the use that was submitted to us of the funds. We assumed that jurisdiction in this bill and in our report. We do have available various supports which we think we can bring together to bring together the sum total in agriculture as here, but we have made out and I assure the gentleman we will try to carry it out.

Mr. HIESTAND. Mr. Chairman, I move to strike out the last word, and I do this to seek information. I have listened to the debate rather carefully and read the committee report, but I fail to see a discussion here of the increase of \$150 million in the authorization for rural electrification itself. I should like to ask the chairman of the committee to give us some kind of summary of that \$150 million increase. The committee has done a careful job otherwise, and I am sure he must have a satisfactory explanation.

Mr. WHITTEN. For the gentleman's information, the budget sent down by the Bureau of the Budget to the committee provided \$150 million. To read that, it would indicate that that was the sum total stated by the Bureau of the Budget. In talking to the Department when the Department witnesses came before us to justify that action, they presented to us a proposed legislative amendment to the existing law which would provide for the borrowing of money by the Rural Electrification Administration from outside sources that would last half of the next fiscal year. At this date that bill has not been introduced. It is not now pending before the legislative committee.

In testimony before the committee, the Department witnesses, including the head of the Rural Electrification Administration, and the man from the Secretary's office, under which the supervision or inspection of it comes, testified that the original \$150 million, though it does not so state in the budget, was sent down to cover a half year, and their total estimates and requests for what they were seeking for a full year were some \$350 million, as I recall. The committee provided \$300 million, with the \$25-million contingency. It was quite clear that the Budget intended, according to the Department, for the full \$150 million to come on every year. So the committee provided for the half year.

Mr. HIESTAND. May I ask the gentleman, if he will summarize the program briefly, how the \$350 million which he mentioned could be advantageously used compared with the \$179 million in last year's bill. There must be some tremendous reasons for the desired increase.

Mr. WHITTEN. Of course, we base our action on the estimate by the Rural Electrification Administration on the number of applications they have pending. Each year you have a carryover of authority from the preceding year. All of those factors entered into this. Then the next thing, they have made, as I recall it, a special survey of the needs of the REA. I am sure the gentleman is familiar with the fact that in recent years the use of the REA current by the subscribers has exceeded the most optimistic estimate of anyone. As the use by the individual subscriber or customer increases, the need for firming up or making larger trunklines available increases, and it results in bigger loans. This is the sum total of the committee's judgment, accepting the statement of the Department based on survey applications, based on estimates, and based on past experience.

Mr. HIESTAND. Would the gentleman say a larger part of the increase is in urban expansion in powerlines or rural?

Mr. WHITTEN. Well, certainly, I would take it to be rural. I have made no survey myself. The gentleman is familiar with the law. It says that it shall be to provide central station current and so forth. I find some of my friends with the utilities quarreling sometimes as to whether they are following that too closely, and we hear a lot of these other things. But, I personally do not have the information to know how much truth there may be in it. But the loans are clearly under the control of the Administrator of the REA and they have it within their power to approve or disapprove these loans. The applicants and the uses are part of the basis on which they should be approved. Certainly, it is within their power to restrict them to the proper use of the funds in line with the REA.

Mr. HIESTAND. The gentleman indicated that there was a survey to see if they could take up a lot more applications.

Mr. WHITTEN. I think there was such a survey by an outside organization. But, also if there was a survey by the Department as to the prospective needs, there would be many of these things that you could find. The gentleman knows that that has existed through the years and it has existed through the years that I have been in the Congress at least.

Mr. HIESTAND. The gentleman is entirely satisfied that this amount is justified?

Mr. WHITTEN. I think it is. But, may I say again to the gentleman, this is in line with what we thought is the real need based on the soundest information available. But, if you had \$1½ billion authorization, they would not lend a dollar unless the Department itself determined that there was feasibility and that it would be repaid and that it was a sound loan and that the criteria of the law have been met. Neither would it be taken out of the Treasury until it had been actually approved.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McGOVERN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time for the purpose of asking a few questions of the chairman with regard to the foreign agricultural service section of the bill. I think we are all agreed that one of the most important parts of the agricultural program is the expansion of markets overseas and the expansion of uses for agricultural products in other countries. The agency that is charged with carrying out these functions is the Foreign Agricultural Service. There is an interesting colloquy in part 2 of the hearings at page 965 conducted by the gentleman from Minnesota [Mr. ANDERSEN] in which he very ably developed the point in questioning departmental witnesses, that several very important agricultural attachés were eliminated from the program because of inadequate funds in the 1958 budget. Yet, the committee is recommending the same budget for that purpose again in the fiscal year 1959. I would like to ask the chairman on what basis the committee brings out the same figure again this year in view of the information from the Department that that amount was inadequate for carrying on the program.

Mr. WHITTEN. May I say to the gentleman that we do not always accept the Department's estimate as to how much money they would like to have. If we did, there is no telling how much we would have in this bill. I would like to point out, if I may, in reply to the gentleman, that the appropriations for the Department of Agriculture have increased since 1952 from \$796 million to a total of \$1,729 million for the present year. If this committee had provided all the funds that all the witnesses who came before us requested, there would be another billion dollars in this bill. But, with the foreign currencies that are available to the Department for use by the foreign agricultural service, since the Department has 17,000 more employees than it had 5 years ago and since we have more than doubled the appropriation that was available to them 5 years

ago, we felt that we should tell them to do these extra and special things from the moneys that are available.

As I say, if we had acceded to all of the requests of our colleagues and other witnesses in every instance, and it is something that we would have liked to have gone along with, there would be another billion dollars in this bill. We think it is sound to tell them that, with the employees they have, and the money they have and in view of the increases in the past 5 years, they ought to do a good job. And we believe they can.

Mr. McGOVERN. Does the chairman suggest that the needed additional funds for this program could be taken from those funds available under the Public Law 480 program?

Mr. WHITTEN. They have authority under that law to use it for promoting markets, and various other things, where these Agriculture attachés do the work. It is a matter of charging this expense up to foreign currencies instead of direct appropriations. It is my view that that source of funds makes it within their range to meet this problem that the gentleman mentions.

Mr. McGOVERN. I thank the distinguished chairman.

The CHAIRMAN. The time of the gentleman from South Dakota [Mr. McGOVERN] has expired.

Mr. ULLMAN. Mr. Chairman, I want to congratulate the chairman and the members of the subcommittee for a thorough and conscientious treatment of this agricultural appropriation bill.

I am particularly concerned that we go forward with an adequate agricultural research program. First, I feel that the grants for state experiment stations should be expanded. In the Pacific Northwest, these experiment stations are making a tremendous contribution not only to agriculture but to the total economic welfare of the American people. They are at the present time handicapped by a lack of funds to carry on much needed experimental endeavors. I urge that the committee will give every consideration to the enlargement of this program.

Another field of research with which I am most concerned is soil and water research experimentation. In the Pacific Northwest, we are in great need of a soil and water research laboratory to study the unique problems of our area. I am greatly disappointed that an item of \$1 million has not been included in this budget to set up such a laboratory in the Pacific Northwest.

I am happy to see that the committee has recognized the value of these laboratories by its commendatory statement in its report. I am also pleased that it has recommended to the Secretary that study be given to the needs for a soil and water laboratory in the Pacific Northwest with a view to consideration of such need in connection with the next year's budget. I greatly hope that this item will be included at the earliest opportunity.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, without amendment, with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. BONNER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 11767) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes, directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection? There was no objection.

WATERSHED PROTECTION AND FLOOD PREVENTION ACT

The SPEAKER laid before the House the following communication, which was read by the Clerk and, with accompanying papers, referred to the Committee on Appropriations:

MARCH 31, 1958.

HON. SAM RAYBURN,
The Speaker,
United States House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture has today considered the work plans transmitted to you by Executive Communication 1698 and referred to this committee and unanimously approved each of such plans. The work plans involved are: Zuber Draw, N. Mex.; Cowaselon Creek, N. Y.; Little Deep Fork Creek, Okla.; Mill Creek, Wis.

Copies of the resolutions are attached.
Sincerely yours,

HAROLD D. COOLEY,
Chairman.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

PERSONAL ANNOUNCEMENT

(Mr. DIGGS asked and was given permission to address the House for 1 minute.)

Mr. DIGGS. Mr. Speaker, I ask that the RECORD show that had I been here this morning I would have voted "yea" on rollcall No. 38 in connection with

the Civil Rights Commission. I was detained because of official business and could not arrive in time.

ADVERSE EFFECTS OF IMPORTED JAPANESE PLYWOOD

The SPEAKER. Under the previous order of the House, the gentleman from Washington [Mr. MACK] is recognized for 60 minutes.

(Mr. MACK of Washington asked and was given permission to revise and extend his remarks.)

Mr. MACK of Washington. Mr. Speaker, on yesterday when I was granted a special order of 60 minutes I telephoned the gentleman from Oregon [Mr. PORTER] and told him I was going to take a position on the floor of the House today in opposition to statements he had made during a discussion of the plywood employment situation in the Northwest. I am very happy to notice that the gentleman from Oregon is here to listen to my remarks. I shall provide him time to make such answer to my speech as he wishes.

Mr. Speaker, the gentleman from Oregon [Mr. PORTER] on March 27, 1958 made what seemed to me a most amazing speech. In that speech, as reported in the CONGRESSIONAL RECORD, the gentleman from Oregon [Mr. PORTER] said that the vast quantities of plywood which now are pouring into the United States, shipload after shipload from Japan have had no appreciable effect on the employment or prosperity of the plywood workers of Oregon or Washington.

Plywood imports from Japan increased from 13 million square feet in 1951 to 686 million square feet last year—a fifty-two-fold increase. In short, there came into the United States every average week in 1957 as much Japanese plywood as was imported from Japan in the entire year of 1951.

The 686 million square feet of plywood which came into the United States last year from Japan had a wholesale value of about \$60 million and was the equivalent of the output of 12 large plywood plants employing 5,000 people. The gentleman from Oregon's claim that these vast imports of plywood has not affected the employment or income of Pacific Northwest plywood workers is beyond my comprehension.

The gentleman from Oregon's lack of concern over the vast and growing imports of Japanese plywood that are coming into the United States, I am sure, is not shared by the vast majority of the people of his State or of mine.

For example, I repeatedly have received resolutions from the Lumber and Sawmill Workers, AFL-CIO, which is the bargaining agency for thousands of Oregon-Washington plywood union workers, declaring that these Japanese plywood imports are putting large numbers of their union members out of work and curtailing the income of union workers. These union resolutions invariably have expressed concern over these growing foreign plywood imports upon the employment and earnings of their members, and urged either quotas or tariffs as a means of relief.

At a convention in Spokane, Wash., of the Oregon-Washington and Idaho members of this woodworkers union the delegates declared that Japan is buying logs from Russia, making cores for plywood from these logs and expressed the fear that plywood made from these Soviet logs is among the plywood now coming into the United States at the rate of \$60 million a year.

Many editors of Oregon and Washington, especially those of communities where plywood industries are situated, have written editorials calling these growing imports of plywood a menace to the economy of their communities and of the entire Pacific Northwest.

The gentleman from Oregon in his speech of March 27 said in effect that the labor leaders of the plywood unions of his State and mine and that the editors of Oregon and Washington who write editorials deploring plywood imports and asking their curtailment do not know what they are talking about or what they are writing about. The gentleman from Oregon [Mr. PORTER] in his speech said these editors and labor leaders—he called them labor executives—have been confused by the massive propaganda campaign of misinformation conducted by the highly paid lobbyists and publicity people of the plywood industry. The gentleman regards reports that workers have been injured by plywood imports as a myth and seems to think Northwest editors when they urge legislation to curtail plywood imports are fighting an imaginary threat not a real one.

At the conclusion of my remarks I will place in the RECORD the full texts of letters and resolutions I have received from unions protesting against the heavy rate of Japanese imports and urging their curtailment. I, also, will place in the RECORD copies of a few of numerous editorials published by newspapers of my area on what Japanese plywood imports are doing to the employment and prosperity of their communities.

In a letter to me from the officers of the Puget Sound District Council of Lumber & Sawmill Workers, CIO-AFL, who say they represent 20,000 workers in the forest-products industry, they request that you exercise every effort at your command to seek a quota on plywood imports.

I was amazed by a statement of the gentleman from Oregon [Mr. PORTER] in his speech in which he said he had received only two protests from his State about the imports of plywood from Japan. I have received hundreds of such protests from plywood workers and their wives of my district. One of the protests he received he said came from the Democratic Central Committee of Grants Pass and the other from a vice president of the Georgia Pacific Plywood Corp.

The Oregonian, of Portland, Oreg., in a news story says the gentleman from Oregon [Mr. PORTER] "rejected the plea of the Grants Pass party organization," meaning the pleas for relief from Japan plywood imports asked by the Democratic Central Committee of Grants Pass, Oreg.

In his speech the gentleman from Oregon said he rejected claims of the

Georgia Pacific Corp. that hardwood plywood was in any way competitive with Pacific Northwest softwood plywood.

The gentleman from Oregon in his letter to the Georgia Pacific Plywood Corp. said that no hardwood plywood is produced in his, Mr. PORTER's, district. And as to obtaining relief from hardwood imports that "it is, unfortunately, not my problem."

The gentleman from Oregon [Mr. PORTER] said he is convinced that the effect of hardwood plywood imports from Japan, even though these now total 686 million square feet a year, valued at \$60 million, have a negligible effect on the softwood plywood industry of the Pacific coast.

It is admitted by everyone that the plywood produced in the Pacific Northwest is mostly softwood plywood and that the plywood being shipped into the United States by Japan is mostly hardwood plywood. The gentleman says there is little or no competition between the two species.

I think the gentleman is mistaken. The Western Council of Lumber & Sawmill Workers, AFL-CIO, thinks he is mistaken for in a resolution adopted at its Seattle convention this powerful union group, in whose membership are thousands of plywood workers, said:

That because of these Japanese plywood imports there are a great many jobs lost to the economy of the Pacific Northwest.

The newspaper editors, as far as I can ascertain, of plywood producing communities, without exception, think the gentleman mistaken.

The Vancouver Columbian, one of the largest dailies in my district in a typical editorial on the plywood situation said:

The troubles that are plaguing the plywood industry here and in other parts of the Northwest certainly aren't ameliorated by the large amount of plywood being imported from Japan. Although most of the import is hardwood plywood, whereas our mills here produce softwood plywood, the depressing effect on the market is the same.

The Aberdeen World, of Aberdeen, Wash., which is in the center of what is probably the largest plywood producing area of the Nation in an editorial said:

We fought a war against Japan that Japan started. After our victory we gave of our resources and knowledge to the Japanese to put them back on their feet. We are under no necessity to open our markets to them now on an unregulated basis such as they have been enjoying to the detriment of our own workers. Even the free traders in Congress should support Mr. Mack's efforts to place Japanese imports on a quota basis. That is needed for the protection of our workers and industries.

The editorials from which these extracts were taken, and several other editorials of similar vein, will appear in full at the conclusion of my remarks.

At the very time the gentleman from Oregon [Mr. PORTER] was making the speech defending imports of plywood from Japan, scores of the plywood plants in his State and mine, judging by a news article I saw in the Portland Oregonian, were down or operating only part-time.

In the very month—March 1958—the gentleman from Oregon [Mr. PORTER] was saying hardwood plywood imports

85TH CONGRESS
2D SESSION

H. R. 11767

IN THE SENATE OF THE UNITED STATES

APRIL 2, 1958

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and Farm Credit Administration for
6 the fiscal year ending June 30, 1959, namely:

1 DEPARTMENT OF AGRICULTURE

2 TITLE I—REGULAR ACTIVITIES

3 AGRICULTURAL RESEARCH SERVICE

4 SALARIES AND EXPENSES

5 For expenses necessary to perform agricultural research
6 relating to production and utilization, to control and eradicate
7 pests and plant and animal diseases, and to perform related
8 inspection, quarantine and regulatory work, and meat in-
9 spection: *Provided*, That not to exceed \$75,000 of the appro-
10 priations hereunder shall be available for employment pur-
11 suant to the second sentence of section 706 (a) of the
12 Organic Act of 1944 (5 U. S. C. 574), as amended by
13 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) :
14 *Provided further*, That appropriations hereunder shall be
15 available for the operation and maintenance of aircraft and
16 the purchase of not to exceed two, of which one shall be
17 for replacement only: *Provided further*, That appropria-
18 tions hereunder shall be available pursuant to title 5, United
19 States Code, section 565a, for the construction, alteration,
20 and repair of buildings and improvements, but unless other-
21 wise provided, the cost of constructing any one building
22 (except headhouses connecting greenhouses) shall not ex-
23 ceed \$10,000, except for five buildings to be constructed or
24 improved at a cost not to exceed \$20,000 each, and the cost
25 of altering any one building during the fiscal year shall not

1 exceed \$3,750 or 4 per centum of the cost of the building,
2 whichever is greater:

3 Research: For research and demonstrations on the pro-
4 duction and utilization of agricultural products, and related
5 research and services, including administration of payments
6 to State agricultural experiment stations; \$58,444,890:
7 *Provided*, That the limitations contained herein shall not
8 apply to replacement of buildings needed to carry out the
9 Act of April 24, 1948 (21 U. S. C. 113a) ;

10 Plant and animal disease and pest control: For opera-
11 tions and measures to control and eradicate pests and plant
12 and animal diseases and for carrying out assigned inspection,
13 quarantine and regulatory activities, as authorized by law;
14 \$41,732,000, of which \$1,000,000 shall be apportioned for
15 use pursuant to section 3679 of the Revised Statutes, as
16 amended, for the control of outbreaks of insects and plant
17 diseases to the extent necessary to meet emergency
18 conditions;

19 Meat inspection: For carrying out the provisions of laws
20 relating to Federal inspection of meat, meat-food products,
21 and poultry, and the applicable provisions of the laws re-
22 lating to process or renovated butter; \$24,326,000.

23 STATE EXPERIMENT STATIONS

24 Payments to States, Hawaii, Alaska, and Puerto Rico:
25 For payments to agricultural experiment stations to carry

1 into effect the provisions of the Hatch Act, approved March
2 2, 1887, as amended by the Act approved August 11, 1955
3 (7 U. S. C. 361a-361i), including administration by the
4 United States Department of Agriculture, \$29,853,708; and
5 payments authorized under section 204 (b) of the Agri-
6 cultural Marketing Act, the Act approved August 14, 1946
7 (7 U. S. C. 1623), \$500,000; in all, \$30,353,708.

8 Penalty mail: For penalty mail costs of agricultural
9 experiment stations, under section 6 of the Hatch Act of
10 1887, as amended, \$250,000.

11 DISEASES OF ANIMALS AND POULTRY

12 Eradication activities: For expenses necessary in the ar-
13 rest and eradication of foot-and-mouth disease, rinderpest,
14 contagious pleuro-pneumonia, or other contagious or infec-
15 tious diseases of animals, or European fowl pest and similar
16 diseases in poultry, and for foot-and-mouth disease and
17 rinderpest programs undertaken pursuant to the provisions
18 of the Act of February 28, 1947, and the Act of May 29,
19 1884, as amended (7 U. S. C. 391; 21 U. S. C. 111-122),
20 including expenses in accordance with section 2 of said Act
21 of February 28, 1947, the Secretary may transfer from
22 other appropriations or funds available to the bureaus, cor-
23 porations, or agencies of the Department such sums as he
24 may deem necessary, but not to exceed \$1,000,000 for
25 eradication of vesicular exanthema of swine, to be available

1 only in an emergency which threatens the livestock or
2 poultry industry of the country, and any unexpended bal-
3 ances of funds transferred under this head in the next pre-
4 ceding fiscal year shall be merged with such transferred
5 amounts: *Provided*, That this appropriation shall be subject
6 to applicable provisions contained in the item "Salaries and
7 expenses, Agricultural Research Service".

8 EXTENSION SERVICE

9 COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

10 Payments to States, Hawaii, Alaska, and Puerto Rico:
11 For payments for cooperative agricultural extension work
12 under the Smith-Lever Act, as amended by the Act of June
13 26, 1953 (7 U. S. C. 341-348), and the Act of August 11,
14 1955 (7 U. S. C. 347a), \$49,220,000; and payments and
15 contracts for such work under section 204 (b)-205 of the
16 Agricultural Marketing Act of 1946 (7 U. S. C. 1623-
17 1624), \$1,495,000; in all, \$50,715,000: *Provided*, That
18 funds hereby appropriated pursuant to section 3 (c) of
19 the Act of June 26, 1953, shall not be paid to any State,
20 Hawaii, Alaska, or Puerto Rico prior to availability of an
21 equal sum from non-Federal sources for expenditure during
22 the current fiscal year.

23 Retirement costs for extension agents: For cost of
24 employer's share of Federal retirement for cooperative
25 extension employees, \$5,479,375.

1 Penalty mail: For costs of penalty mail for coopera-
2 tive extension agents and State extension directors,
3 \$1,868,480.

4 Federal Extension Service: For administration of the
5 Smith-Lever Act, as amended by the Act of June 26, 1953
6 (7 U. S. C. 341-348), and the Act of August 11, 1955
7 (7 U. S. C. 347a), and extension aspects of the Agricultural
8 Marketing Act of 1946 (7 U. S. C. 1621-1627), and to
9 coordinate and provide program leadership for the extension
10 work of the Department and the several States, Territories,
11 and insular possessions, \$2,096,540.

12 FARMER COOPERATIVE SERVICE

13 SALARIES AND EXPENSES

14 For necessary expenses to carry out the Act of July 2,
15 1926 (7 U. S. C. 451-457), \$578,000.

16 SOIL CONSERVATION SERVICE

17 CONSERVATION OPERATIONS

18 For necessary expenses for carrying out the provisions
19 of the Act of April 27, 1935 (16 U. S. C. 590a-590f),
20 including preparation of conservation plans and establish-
21 ment of measures to conserve soil and water (including farm
22 irrigation and land drainage and such special measures as
23 may be necessary to prevent floods and the siltation of reser-
24 voirs) ; operation of conservation nurseries; classification and
25 mapping of soils; dissemination of information; purchase

1 and erection or alteration of permanent buildings: and
2 operation and maintenance of aircraft; \$74,780,000:
3 *Provided*, That the cost of any permanent building pur-
4 chased, erected, or as improved, exclusive of the cost of
5 constructing a water supply or sanitary system and connect-
6 ing the same to any such building and with the exception of
7 buildings acquired in conjunction with land being purchased
8 for other purposes, shall not exceed \$2,500, except for eight
9 buildings to be constructed or improved at a cost not to exceed
10 \$15,000 per building and except that alterations or improve-
11 ments to other existing permanent buildings costing \$2,500
12 or more may be made in any fiscal year in an amount not to
13 exceed \$500 per building: *Provided further*, That no part
14 of this appropriation shall be available for the construction
15 of any such building on land not owned by the Government:
16 *Provided further*, That in the State of Missouri, where the
17 State has established a central State agency authorized to
18 enter into agreements with the United States or any of its
19 agencies on policies and general programs for the saving of
20 its soil by the extension of Federal aid to any soil conserva-
21 tion district in such State, the agreements made by or on
22 behalf of the United States with any such soil conservation
23 district shall have the prior approval of such central State
24 agency before they shall become effective as to such district:
25 *Provided further*, That no part of this appropriation may be

1 expended for soil and water conservation operations under
2 the Act of April 27, 1935 (16 U. S. C. 590a-590f), in
3 demonstration projects: *Provided further*, That not to exceed
4 \$5,000 may be used for employment pursuant to the second
5 sentence of section 706 (a) of the Organic Act of 1944
6 (5 U. S. C. 574), as amended by section 15 of the Act of
7 August 2, 1946 (5 U. S. C. 55a): *Provided further*, That
8 qualified local engineers may be temporarily employed at
9 per diem rates to perform the technical planning work of
10 the service.

11 WATERSHED PROTECTION

12 For expenses necessary to conduct surveys, investiga-
13 tions, and research and to carry out preventive measures,
14 including, but not limited to, engineering operations, methods
15 of cultivation, the growing of vegetation, and changes in use
16 of land, in accordance with the Watershed Protection and
17 Flood Prevention Act, approved August 4, 1954, as
18 amended (16 U. S. C. 1001-1007), and the provisions of the
19 Act of April 27, 1935 (16 U. S. C. 590a-590f), to remain
20 available until expended, \$25,500,000, with which shall be
21 merged the unexpended balances of funds heretofore appro-
22 priated or transferred to the Department for watershed pro-
23 tection purposes: *Provided*, That not to exceed \$100,000
24 may be used for employment pursuant to the second sentence
25 of section 706 (a) of the Organic Act of 1944 (5 U. S. C.

1 574), as amended by section 15 of the Act of August 2,
2 1946 (5 U. S. C. 55a).

3 FLOOD PREVENTION

4 For expenses necessary, in accordance with the Flood
5 Control Act, approved June 22, 1936 (33 U. S. C. 701-
6 709), as amended and supplemented, and in accordance
7 with the provisions of laws relating to the activities of the
8 Department, to perform works of improvement, including
9 not to exceed \$100,000 for employment pursuant to the
10 second sentence of section 706 (a) of the Organic Act of
11 1944 (5 U. S. C. 574), as amended by section 15 of the
12 Act of August 2, 1946 (5 U. S. C. 55a), to remain avail-
13 able until expended, \$18,000,000, with which shall be
14 merged the unexpended balances of funds heretofore ap-
15 propriated or transferred to the Department for flood pre-
16 vention purposes: *Provided*, That no part of such funds
17 shall be used for the purchase of lands in the Yazoo and
18 Little Tallahatchie watersheds without specific approval of
19 the county board of supervisors of the county in which
20 such lands are situated.

21 WATER CONSERVATION AND UTILIZATION PROJECTS

22 For expenses necessary to carry out the functions of the
23 Department under the Acts of August 11, 1939, and October
24 14, 1940 (16 U. S. C. 590y-z-10), as amended and supple-

1 mented, June 28, 1949 (63 Stat. 277), and September
2 6, 1950 (7 U. S. C. 1033-39), relating to water con-
3 servation and utilization projects, to remain available until
4 expended, \$335,000, which sum shall be merged with
5 the unexpended balances of funds heretofore appropriated
6 to said Department for the purpose of said Acts.

7 GREAT PLAINS CONSERVATION PROGRAM

8 For necessary expenses to carry into effect a program
9 of conservation in the Great Plains area, pursuant to section
10 16 (b) of the Soil Conservation and Domestic Allotment
11 Act, as added by the Act of August 7, 1956 (16 U. S. C.
12 590p), \$10,000,000, to remain available until expended.

13 AGRICULTURAL CONSERVATION PROGRAM

14 For necessary expenses to carry into effect the pro-
15 gram authorized in sections 7 to 15, 16 (a), and 17 of the
16 Soil Conservation and Domestic Allotment Act, approved
17 February 29, 1936, as amended (16 U. S. C. 590g-590
18 (o), 590p (a), and 590q), including not to exceed \$6,000
19 for the preparation and display of exhibits, including such
20 displays at State, interstate, and international fairs within
21 the United States; \$235,000,000, to remain available until
22 December 31 of the next succeeding fiscal year for compli-
23 ance with the program of soil-building and soil- and water-
24 conserving practices authorized under this head in the
25 Department of Agriculture and Farm Credit Administration

1 Appropriation Act, 1958, carried out during the period July
2 1, 1957, to December 31, 1958, inclusive: *Provided*, That
3 not to exceed \$24,698,000 of the total sum provided under
4 this head shall be available during the current fiscal year
5 for administrative expenses for carrying out such program,
6 the cost of aerial photographs, however, not to be charged
7 to such limitation; but not more than \$5,025,800 shall be
8 transferred to the appropriation account "Administrative
9 expenses, section 392, Agricultural Adjustment Act of
10 1938": *Provided further*, That none of the funds herein
11 appropriated shall be used to pay the salaries or expenses
12 of any regional information employees or any State infor-
13 mation employees, but this shall not preclude the answer-
14 ing of inquiries or supplying of information at the county
15 level to individual farmers: *Provided further*, That such
16 amounts shall be available for administrative expenses in
17 connection with the formulation and administration of the
18 1959 program of soil-building and soil- and water-conserving
19 practices, under the Act of February 29, 1936, as amended
20 (amounting to \$250,000,000, including administration, and
21 no participant shall receive more than \$2,500, except where
22 the participants from two or more farms or ranches join to
23 carry out approved practices designed to conserve or improve
24 the agricultural resources of the community): *Provided*
25 *further*, That not to exceed 5 per centum of the allocation.

1 for the 1959 agricultural conservation program for any
2 county may, on the recommendation of such county com-
3 mittee and approval of the State committee, be withheld
4 and allotted to the Soil Conservation Service for services of
5 its technicians in formulating and carrying out the agricul-
6 tural conservation program in the participating counties,
7 and shall not be utilized by the Soil Conservation Service
8 for any purpose other than technical and other assistance in
9 such counties, and in addition, on the recommendation of
10 such county committee and approval of the State commit-
11 tee, not to exceed 1 per centum may be made available to
12 any other Federal, State, or local public agency for the
13 same purpose and under the same conditions: *Provided*
14 *further*, That for the 1959 program \$2,500,000 shall be
15 available for technical assistance in formulating and carry-
16 ing out agricultural conservation practices and \$1,000,000
17 shall be available for conservation practices related di-
18 rectly to flood prevention work in approved watersheds:
19 *Provided further*, That such amounts shall be available
20 for the purchase of seeds, fertilizers, lime, trees, or any
21 other farming material, or any soil-terracing services, and
22 making grants thereof to agricultural producers to aid
23 them in carrying out farming practices approved by the
24 Secretary under programs provided for herein: *Provided*
25 *further*, That no part of any funds available to the De-

1 partment, or any bureau, office, corporation, or other
2 agency constituting a part of such Department, shall be
3 used in the current fiscal year for the payment of salary or
4 travel expenses of any person who has been convicted of
5 violating the Act entitled "An Act to prevent pernicious
6 political activities", approved August 2, 1939, as amended,
7 or who has been found in accordance with the provisions
8 of title 18, United States Code, section 1913, to have vio-
9 lated or attempted to violate such section which prohibits
10 the use of Federal appropriations for the payment of per-
11 sonal services or other expenses designed to influence in
12 any manner a Member of Congress to favor or oppose any
13 legislation or appropriation by Congress except upon re-
14 quest of any Member or through the proper official
15 channels.

16 AGRICULTURAL MARKETING SERVICE

17 MARKETING RESEARCH AND SERVICE

18 For expenses necessary to carry on research and service
19 to improve and develop marketing and distribution relating
20 to agriculture as authorized by the Agricultural Marketing
21 Act of 1946 (7 U. S. C. 1621-1627) and other laws,
22 including the administration of marketing regulatory acts
23 connected therewith: *Provided*, That appropriations here-
24 under shall be available pursuant to 5 U. S. C. 565a for
25 the construction, alteration, and repair of buildings and im-

1 improvements, but unless otherwise provided, the cost of
2 erecting any one building shall not exceed \$10,000, except
3 for two buildings to be constructed or improved at a cost
4 not to exceed \$20,000 each, and the cost of altering any one
5 building during the fiscal year shall not exceed \$3,750 or 3
6 per centum of the cost of the building, whichever is greater:

7 Marketing research and agricultural estimates: For re-
8 search and development relating to agricultural marketing
9 and distribution, for analyses relating to farm prices, income
10 and population, and demand for farm products, and for crop
11 and livestock estimates, \$14,095,000: *Provided*, That not
12 less than \$350,000 of the funds contained in this appropria-
13 tion shall be available to continue to gather statistics and con-
14 duct a special study on the price spread between the farmer
15 and the consumer: *Provided further*, That no part of the
16 funds herein appropriated shall be available for any expense
17 incident to ascertaining, collating, or publishing a report
18 stating the intention of farmers as to the acreage to be
19 planted in cotton, or for estimates of apple production for
20 other than the commercial crop;

21 Marketing services: For services relating to agricultural
22 marketing and distribution, for carrying out regulatory acts
23 connected therewith, and for administration and coordination
24 of payments to States, \$14,097,000, including not to ex-
25 ceed \$25,000 for employment at rates not to exceed \$50

1 per diem, except for employment in rate cases at not to
2 exceed \$100 per diem pursuant to the second sentence
3 of section 706 (a) of the Organic Act of 1944 (5 U. S. C.
4 574), as amended by section 15 of the Act of August 2,
5 1946 (5 U. S. C. 55a), in carrying out section 201 (a)
6 to 201 (d), inclusive, of title II of the Agricultural Adjust-
7 ment Act of 1938 (7 U. S. C. 1291) and section 203 (j) of
8 the Agricultural Marketing Act of 1946.

9 PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS

10 For payments to departments of agriculture, bureaus
11 and departments of markets, and similar agencies for market-
12 ing activities under section 204 (b) of the Agricultural
13 Marketing Act of 1946 (7 U. S. C. 1623 (b)), \$1,160,000:

14 SCHOOL LUNCH PROGRAM

15 For necessary expenses to carry out the provisions of
16 the National School Lunch Act (42 U. S. C. 1751-1760),
17 \$100,000,000: *Provided*, That no part of this appropriation
18 shall be used for nonfood assistance under section 5 of said
19 Act: *Provided further*, That \$55,000,000 shall be trans-
20 ferred to this appropriation from funds available under sec-
21 tion 32 of the Act of August 24, 1935, for purchase and
22 distribution of agricultural commodities and other foods pur-
23 suant to section 6 of the National School Lunch Act, such
24 additional funds to be used for the general purposes of
25 section 32.

1 FOREIGN AGRICULTURAL SERVICE

2 SALARIES AND EXPENSES

3 For necessary expenses for the Foreign Agricultural
4 Service, including carrying out title VI of the Agricultural
5 Act of 1954 (7 U. S. C. 1761-1768), and for enabling
6 the Secretary to coordinate and integrate activities of the
7 Department in connection with foreign agricultural work,
8 including not to exceed \$25,000 for representation allow-
9 ances and for expenses pursuant to section 8 of the Act
10 approved August 3, 1956 (7 U. S. C. 1766), \$4,002,300:
11 *Provided*, That not less than \$400,000 of the funds contained
12 in this appropriation shall be available to obtain statistics
13 and related facts on foreign production and full and complete
14 information on methods used by other countries to move
15 farm commodities in world trade on a competitive basis.

16 COMMODITY EXCHANGE AUTHORITY

17 SALARIES AND EXPENSES

18 For necessary expenses to carry into effect the pro-
19 visions of the Commodity Exchange Act, as amended (7
20 U. S. C. 1-17a), \$832,000.

21 SOIL BANK PROGRAMS

22 CONSERVATION RESERVE PROGRAM

23 For necessary expenses to carry out a conservation re-
24 serve program as authorized by subtitles B and C of the
25 Soil Bank Act (7 U. S. C. 1831-1837 and 1802-1814),

1 \$250,000,000: *Provided*, That not to exceed \$15,000,000
2 shall be available for administrative expenses of which not
3 less than \$12,000,000 may be transferred to the appropria-
4 tion account "Local administration, section 388, Agricultural
5 Adjustment Act of 1938": *Provided further*, That no part
6 of this appropriation shall be used to enter into contracts with
7 producers which together with contracts already entered into
8 would require payments to producers (including the cost of
9 materials and services) in excess of \$300,000,000 in any
10 calendar year, and for purposes of applying this limitation,
11 practice payments shall be chargeable to the first year of the
12 contract period: *Provided further*, That no part of these
13 funds shall be paid on any contract which is illegal under the
14 law due to the division of lands for the purpose of evading
15 limits on annual payments to participants: *Provided further*,
16 That no part of these funds shall be paid on any contract
17 where payments are made for land rental at rates in excess
18 of 20 per centum of the current value of the land rented or
19 where payments are made for conservation practices in ex-
20 cess of the average rate for comparable practices under the
21 agricultural conservation program.

22 ACREAGE RESERVE PROGRAM

23 For necessary expenses to carry out an acreage reserve
24 program in accordance with the provisions of subtitles A

1 and C of the Soil Bank Act (7 U. S. C. 1821-1824 and
2 1802-1814), \$330,000,000: *Provided*, That not to exceed
3 \$13,000,000 of the total sum provided under this head shall
4 be available for administrative expenses: *Provided further*,
5 That no part of this appropriation shall be used to formulate
6 and administer an acreage reserve program with respect to
7 the 1959 crops.

8 COMMODITY STABILIZATION SERVICE

9 ACREAGE ALLOTMENTS AND MARKETING QUOTAS

10 For necessary expenses to formulate and carry out acre-
11 age allotment and marketing quota programs pursuant to
12 provisions of title III of the Agricultural Adjustment Act of
13 1938, as amended (7 U. S. C. 1301-1393), \$39,715,000,
14 of which not more than \$6,380,100 shall be transferred to
15 the appropriation account "Administrative expenses, section
16 392, Agricultural Adjustment Act of 1938".

17 SUGAR ACT PROGRAM

18 For necessary expenses to carry into effect the provisions
19 of the Sugar Act of 1948 (7 U. S. C. 1101-1161),
20 \$71,000,000, to remain available until June 30 of the next
21 succeeding fiscal year: *Provided*, That expenditures (includ-
22 ing transfers) from this appropriation for other than pay-
23 ments to sugar producers shall not exceed \$2,124,500.

1 FEDERAL CROP INSURANCE CORPORATION

2 OPERATING AND ADMINISTRATIVE EXPENSES

3 For operating and administrative expenses, \$6,376,700.

4 RURAL ELECTRIFICATION ADMINISTRATION

5 To carry into effect the provisions of the Rural Elec-
6 trification Act of 1936, as amended (7 U. S. C. 901-924),
7 as follows:

8 LOAN AUTHORIZATIONS

9 For loans in accordance with said Act, and for carrying
10 out the provisions of section 7 thereof, to be borrowed from
11 the Secretary of the Treasury in accordance with the pro-
12 visions of section 3 (a) of said Act as follows: Rural elec-
13 trification program, \$300,000,000; and rural telephone
14 program, \$60,000,000; and additional amounts, not to
15 exceed \$25,000,000 for each program, may be borrowed
16 under the same terms and conditions to the extent that such
17 amount is required during the fiscal year 1959 under the then
18 existing conditions for the expeditious and orderly develop-
19 ment of the rural electrification program and rural telephone
20 program.

21 SALARIES AND EXPENSES

22 For administrative expenses, including not to exceed \$500
23 for financial and credit reports, and not to exceed \$150,000

1 for employment pursuant to the second sentence of section
2 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as
3 amended by section 15 of the Act of August 2, 1946 (5
4 U. S. C. 55a), \$9,019,000.

5 FARMERS' HOME ADMINISTRATION

6 To carry into effect the provisions of titles I, II, and
7 the related provisions of title IV of the Bankhead-Jones
8 Farm Tenant Act, as amended (7 U. S. C. 1000-1031);
9 the Farmers' Home Administration Act of 1946 (7 U. S. C.
10 1001, note; 31 U. S. C. 82h; 12 U. S. C. 371; 35 D. C.
11 Code 535; 60 Stat. 1062-1080); the Act of July 30, 1946
12 (40 U. S. C. 436-439); the Act of August 28, 1937, as
13 amended (16 U. S. C. 590r-590x-3), for the develop-
14 ment of facilities for water storage and utilization in the
15 arid and semiarid areas of the United States; the provisions
16 of title V of the Housing Act of 1949, as amended (42
17 U. S. C. 1471-1483), relating to financial assistance for
18 farm housing; the Rural Rehabilitation Corporation Trust
19 Liquidation Act, approved May 3, 1950 (40 U. S. C.
20 440-444); the items "Loans to farmers, 1948 flood damage"
21 in the Act of June 25, 1948 (62 Stat. 1038), and "Loans
22 to farmers, property damage" in the Act of May 24, 1949
23 (63 Stat. 82); the collecting and servicing of credit sales
24 and development accounts in water conservation and utili-
25 zation projects (53 Stat. 685, 719), as amended and sup-

1 plemented (16 U. S. C. 590y, z—1 and z—10) ; and the
2 Act to direct the Secretary of Agriculture to convey certain
3 mineral interests, approved September 6, 1950 (7 U. S. C.
4 1033–1039) , as follows :

5 LOAN AUTHORIZATIONS

6 For loans (including payments in lieu of taxes and taxes
7 under section 50 of the Bankhead-Jones Farm Tenant Act,
8 as amended, and advances incident to the acquisition and
9 preservation of security of obligations under the foregoing
10 several authorities, except that such advances under title V
11 of the Housing Act of 1949, as amended, shall be made
12 from funds obtained under section 511 of that Act, as
13 amended) : Title I and section 43 of title IV of the Bank-
14 head-Jones Farm Tenant Act, as amended, \$24,000,000,
15 of which not to exceed \$2,500,000 may be distributed to
16 States and Territories without regard to farm population
17 and prevalence of tenancy, in addition to the amount other-
18 wise distributed thereto, for loans in reclamation projects and
19 to entrymen on unpatented public land; title II of the Bank-
20 head-Jones Farm Tenant Act, as amended, \$180,000,000;
21 the Act of August 28, 1937, as amended, \$5,500,000:
22 *Provided*, That not to exceed the foregoing several amounts
23 shall be borrowed in one account from the Secretary of the
24 Treasury in accordance with the provisions set forth under
25 this head in the Department of Agriculture Appropriation

1 Act, 1952: *Provided further*, That an additional amount,
2 not to exceed \$20,000,000, may be borrowed under the same
3 terms and conditions to the extent that such amount is
4 required during fiscal year 1959 under the then existing
5 conditions for the expeditious and orderly conduct of the
6 loan program under title II of the Bankhead-Jones Farm
7 Tenant Act, as amended.

8 SALARIES AND EXPENSES

9 For making, servicing, and collecting loans and insured
10 mortgages, the servicing and collecting of loans made under
11 prior authority, the liquidation of assets transferred to
12 Farmers' Home Administration, and other administrative
13 expenses, \$29,089,500, together with a transfer of not to
14 exceed \$1,000,000 of the fees and administrative expense
15 charges made available by subsections (d) and (e) of
16 section 12 of the Bankhead-Jones Farm Tenant Act, as
17 amended (7 U. S. C. 1005 (b)), and section 10 (c) of
18 the Act of August 28, 1937, as amended.

19 OFFICE OF THE GENERAL COUNSEL

20 SALARIES AND EXPENSES

21 For necessary expenses, including payment of fees or
22 dues for the use of law libraries by attorneys in the field
23 service, \$2,943,000.

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For expenses of the Office of the Secretary of Agriculture; expenses of the National Agricultural Advisory Commission; stationery, supplies, materials, and equipment; freight, express, and drayage charges; advertising of bids, communication service, postage, washing towels, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture; \$2,668,895: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedure Act (5 U. S. C. 1001).

OFFICE OF INFORMATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, \$1,359,265, of which total appropriation not to exceed \$537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an

1 equal proportion of four-fifths of which shall be delivered
2 to or sent out under the addressed franks furnished by the
3 Senators, Representatives, and Delegates in Congress, as
4 they shall direct (7 U. S. C. 417) and not less than two
5 hundred thirty thousand eight hundred and fifty copies for
6 the use of the Senate and House of Representatives of part
7 2 of the annual report of the Secretary (known as the Year-
8 book of Agriculture) as authorized by section 73 of the Act
9 of January 12, 1895 (44 U. S. C. 241) : *Provided*, That
10 in the preparation of motion pictures or exhibits by the
11 Department, not exceeding a total of \$10,000 may be used
12 for employment pursuant to the second sentence of section
13 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as
14 amended by section 15 of the Act of August 2, 1946 (5
15 U. S. C. 55a).

16 LIBRARY

17 SALARIES AND EXPENSES

18 For necessary expenses, including dues for library mem-
19 bership in societies or associations which issue publications
20 to members only or at a price to members lower than to
21 subscribers who are not members, \$772,000.

22 TITLE II—CORPORATIONS

23 The following corporations and agencies are hereby
24 authorized to make such expenditures, within the limits of
25 funds and borrowing authority available to each such cor-

1 poration or agency and in accord with law, and to make
2 such contracts and commitments without regard to fiscal
3 year limitations as provided by section 104 of the Govern-
4 ment Corporation Control Act, as amended, as may be nec-
5 essary in carrying out the programs set forth in the budget
6 for the fiscal year 1959 for such corporation or agency,
7 except as hereinafter provided:

8 FEDERAL CROP INSURANCE CORPORATION FUND

9 Not to exceed \$2,000,000 of administrative and
10 operating expenses may be paid from premium income.

11 COMMODITY CREDIT CORPORATION

12 RESTORATION OF CAPITAL IMPAIRMENT

13 To restore the capital impairment of the Commodity
14 Credit Corporation determined by the appraisal of June 30,
15 1957, pursuant to section 1 of the Act of March 8, 1938,
16 as amended (15 U. S. C. 713a-1), \$1,760,399,886.

17 LIMITATION ON ADMINISTRATIVE EXPENSES

18 Nothing in this Act shall be so construed as to prevent
19 the Commodity Credit Corporation from carrying out any
20 activity or any program authorized by law: *Provided*, That
21 not to exceed \$35,398,000 shall be available for adminis-
22 trative expenses of the Corporation: *Provided further*, That
23 \$1,000,000 of this authorization shall be available only to
24 expand and strengthen the sales program of the Corpora-
25 tion pursuant to authority contained in the Corporation's

1 charter: *Provided further*, That not less than 7 per centum
2 of this authorization shall be placed in reserve to be appor-
3 tioned pursuant to section 3679 of the Revised Statutes,
4 as amended, for use only in such amounts and at such time
5 as may become necessary to carry out program operations:
6 *Provided further*, That all necessary expenses (including
7 legal and special services performed on a contract or fee
8 basis, but not including other personal services) in connec-
9 tion with the acquisition, operation, maintenance, improve-
10 ment, or disposition of any real or personal property be-
11 longing to the Corporation or in which it has an interest,
12 including expenses of collections of pledged collateral, shall
13 be considered as nonadministrative expenses for the purposes
14 hereof.

15 TITLE III—RELATED AGENCIES

16 FARM CREDIT ADMINISTRATION

17 Not to exceed \$2,125,000 (from assessments collected
18 from farm credit agencies) shall be obligated during the
19 current fiscal year for administrative expenses.

20 FEDERAL FARM MORTGAGE CORPORATION

21 The Federal Farm Mortgage Corporation is authorized
22 to make such expenditures, within available funds and in
23 accordance with law, as may be necessary to liquidate its
24 assets: *Provided*, That funds realized from the liquidation
25 of assets which are determined by the Board of Directors

1 to be in excess of the requirements for expenses of liquida-
2 tion shall be declared as dividends which shall be paid into
3 the general fund of the Treasury.

4 FEDERAL INTERMEDIATE CREDIT BANKS

5 Not to exceed \$1,693,000 (to be computed on an
6 accrual basis) of the funds of the banks shall be available
7 for administrative expenses for the six months ending De-
8 cember 31, 1958, including the purchase of not to exceed
9 one passenger motor vehicle for replacement only and serv-
10 ices performed for the banks by other Government agencies
11 (except services and facilities furnished and examinations
12 made by the Farm Credit Administration, and services per-
13 formed by any Federal Reserve bank and by the United
14 States Treasury in connection with the financial transactions
15 of the banks); and said total sum shall be exclusive of
16 interest expense, legal and special services performed on a
17 contract or fee basis, and expenses in connection with the
18 acquisition, operation, maintenance, improvement, protection,
19 or disposition of real or personal property belonging to the
20 banks or in which they have an interest.

21 TITLE IV—GENERAL PROVISIONS

22 SEC. 401. Within the unit limit of cost fixed by law,
23 appropriations and authorizations made for the Department
24 under this Act shall be available for the purchase, in addi-
25 tion to those specifically provided for, of not to exceed

1 466 passenger motor vehicles of which 462 shall be for re-
2 placement only, and for the hire of such vehicles.

3 SEC. 402. Provisions of law prohibiting or restricting
4 the employment of aliens shall not apply to employment
5 under the appropriation for the Foreign Agricultural Service.

6 SEC. 403. Funds available to the Department of Agri-
7 culture shall be available for uniforms or allowances therefor
8 as authorized by the Act of September 1, 1954, as amended
9 (5 U. S. C. 2131).

10 SEC. 404. No part of the funds appropriated by this
11 Act shall be used for the payment of any officer or em-
12 ployee of the Department who, as such officer or employee,
13 or on behalf of the Department or any division, commission,
14 or bureau thereof, issues, or causes to be issued, any predic-
15 tion, oral or written, or forecast, except as to damage
16 threatened or caused by insects and pests, with respect to
17 future prices of cotton or the trend of same.

18 SEC. 405. Except to provide materials required in or
19 incident to research or experimental work where no suitable
20 domestic product is available, no part of the funds appro-
21 priated by this Act shall be expended in the purchase of
22 twine manufactured from commodities or materials produced
23 outside of the United States.

24 SEC. 406. Not less than \$1,500,000 of the appropria-
25 tions of the Department for research and service work au-

1 thorized by the Acts of August 14, 1946, and July 28, 1954
2 (7 U. S. C. 427, 1621-1629), shall be available for con-
3 tracting in accordance with said Acts.

4 SEC. 407. No part of any appropriation contained in this
5 Act or of the funds available for expenditure by any
6 corporation or agency included in this Act shall be used for
7 publicity or propaganda purposes to support or defeat legis-
8 lation pending before the Congress.

This Act may be cited as the "Department of Agriculture and Farm Credit Administration Appropriation Act, 1959".

Passed the House of Representatives April 1, 1958.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes.

APRIL 2, 1958

Read twice and referred to the Committee on Appropriations

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued April 18, 1958
For actions of April 17, 1958
85th-2d, No. 59

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HIGHLIGHTS: Senate subcommittee ordered reported agricultural appropriation bill. Senate committee ordered reported area redevelopment bill. Senate referred to Agriculture Committee President's veto message on price support freeze measure. Sen. Johnston urged expanded REA program. House committee approved classified employee pay bill.

HOUSE

1. PAY RAISE. The "Daily Digest" states that the Post Office and Civil Service Committee:

"Approved legislation to provide a 10-percent salary increase for 1,032,236 Federal employees by amending Senate-passed bill S. 734. The salary increase applies to employees in the classified service, Foreign Service, Veterans' Administration Department of Medicine and Surgery, and the legislative and judicial branches. Every employee will receive a 10-percent increase in his present salary. This legislation also authorizes corresponding increases in the salaries of Federal and District of Columbia employees whose rates of compensation are fixed administratively according to law. The salary increases generally will be retroactively effective as of the first pay period which began on or after January 1, 1958. Cost, \$535,848,749 annually." p. D318

The "Daily Digest" also states that conferees met on H. R. 5836, the postal rate and pay increase bill, "but did not reach final agreement, and will meet again on Monday, April 21." p. D319

2. FOREIGN AID. Rep. Gubser spoke in favor of continuing the foreign aid program, stating that "foreign aid is a sound investment on the part of the American people from both a military and an economic point of view." pp. 5980-82
3. TRADE AGREEMENTS. Several Representatives discussed the merits of extending the reciprocal trade program. pp. 5984-6009
4. SMALL BUSINESS. Rep. Patman spoke in favor of legislation to create a Small Business Capital Bank System to aid small businesses and inserted Mass. Governor Furcolo's recent testimony favoring such legislation. pp. 6009-10
5. RECLAMATION. Both Houses received from Interior a copy of the study, "Financial and Economic Analysis, Colorado River Storage Project and Participating Projects, February 1958"; to Interior and Insular Affairs Committee. pp. 5921, 6015
6. LEGISLATIVE PROGRAM. Rep. Albert announced that the consent calendar will be called Mon., Apr. 21. p. 5972
7. ADJOURNED until Mon., Apr. 21. p. 6015

SENATE

8. AGRICULTURAL APPROPRIATION BILL. The Subcommittee ordered reported with amendments H. R. 11767, the agricultural appropriation bill, to the full Appropriation Committee, which is to consider the bill today, Apr. 18. p. D315
9. AREA REDEVELOPMENT. The Banking and Currency Committee ordered reported a clean bill to provide, in HHFA, authorization for designating certain areas as industrial or rural redevelopment areas, with \$100 million in a revolving fund for loans to rural redevelopment areas, and other funds for public facilities grants and technical assistance, and with vocational training and retraining subsistence payments for the unemployed. p. D316
10. PRICE SUPPORTS; ACREAGE ALLOTMENTS; FLOOD CONTROL. The President's veto messages were referred to committees for study and action; S. Res. 162, to prohibit reductions in price supports and acreage allotments, to the Agriculture and Forestry Committee, and S. 497, the rivers and harbors and flood control bill, to the Public Works Committee. Sens. Johnson, Knowland, Thyne, Mansfield, Ellender, Dirksen, and Proxmire discussed the question of overriding the vetoes and the nature of the economic situation today. pp. 5918-21
11. REA. Sen. Johnston commended the work of REA and urged that its program be expanded to service the growing demand for such facilities which, he stated, "doubled every 5 to 7 years." pp. 5946-7
12. SCHOOL LUNCH. Sen. Proxmire urged an expanded school lunch program to give adequate food to children and dispose of our over-abundant supplies. He inserted a review of the school lunch program from a labor magazine. pp. 5959-60
13. COUNTRY LIFE. Sen. Aiken's name was added as a cosponsor of S. 3596, to establish a Country Life Commission. p. 5924
14. POULTRY INSPECTION. Sen. Murray commended the poultry inspection law and inserted a statement on local laws and ordinances by the Public Health Ass'n. pp. 5938-41

Calendar No. 1463

85TH CONGRESS }
2d Session }

SENATE }

REPORT
No. 1438

AGRICULTURAL AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1959

APRIL 18, 1958.—Ordered to be printed

Filed under authority of the order of the Senate of April 17, 1958

Mr. RUSSELL, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 11767]

The Committee on Appropriations, to whom was referred the bill (H. R. 11767) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made:

Amount of bill as passed House (direct appropriations).....	\$3, 216, 988, 539
Amount of decrease by Senate committee (net)....	9, 015, 500
Amount of bill as reported to Senate.....	3, 207, 973, 039
Amount of appropriations, 1958.....	5, 927, 231, 875
Amount of estimates for 1959.....	3, 320, 888, 539

The bill as reported to the Senate:

Under the appropriations for 1958.....	2, 719, 258, 836
Under the estimates for 1959.....	112, 915, 500

GENERAL STATEMENT

The amount of the bill as it passed the House was \$3,216,988,539. The Senate committee bill is in the amount of \$3,207,973,039, a net decrease of \$9,015,500 under the House bill. The bill includes \$1,447,573,153 for regular activities and \$1,760,399,886 for restoration of capital impairment of the Commodity Credit Corporation.

The bill shows a decrease for regular and corporation appropriations of \$2,719,258,836 under 1958 fiscal year. In making a comparison between total agricultural appropriations for 1958 and 1959, it should be noted that the Second Supplemental Appropriation Act, 1958, included \$2,235,388,118 to reimburse the Commodity Credit Corporation for 1957 costs incurred of \$1,725,549,473 for "special commodity disposal programs" and for \$489,500,000 for soil bank programs.

ALLOCATING AND REPORTING OF AGRICULTURAL EXPENDITURES

The committee does not feel that the Department performs an adequate job of allocating and reporting on program expenditures. This is particularly the case in regard to price-support and foreign aid programs administered by the Department. Other large amounts should be classified and reported as consumer benefits.

The committee requests the Secretary to restudy this matter and report his findings and recommendations to the committee early in the next session of the Congress.

AGRICULTURAL CONSERVATION PROGRAM

The committee concurs in the House committee's commendation of the county committee system, and again desires to express its opposition to any program which would, in effect, weaken that system. The three programs so administered (agricultural conservation payments, the Great Plains program, and the conservation reserve program of the soil bank) are outgrowths of legislative provisions designed to reduce production of surplus price-supported crops. Under no circumstances should the functions of these three programs be combined, either for purposes of administration or for other reasons, with Department programs directed primarily at permanent or long-term soil conservation, unless specifically authorized by Congress.

COTTON AND OTHER EXPORT SUBSIDY PROGRAMS

The House committee report expressed views and made recommendations on program policy and operations which the committee feels may be within the jurisdiction of the standing Committees on Agriculture and Forestry.

The departmental officials were not examined by this committee with regard to the recommendations in the House report. Officials of the Department of Agriculture have provided members of the committee with the Department's reaction and views on some of these items, and these statements are printed in this report solely for the information of the Senate. The statements referred to follow:

"The report of the House Committee on Appropriations on the Department of Agriculture and Farm Credit Adminis-

tration appropriation bill, 1959 (Rep. No. 1584, March 28, 1958), contains the following statements with particular reference to cotton.

Page 9: "The committee therefore insists * * * that the sales program on a competitive bid basis—with exports through normal trade channels—be continued, whatever additional programs may be used to complement such program."

Page 10: "* * * any reclassing which should be in order in the future should be made in advance of sale so as to avoid payment of rebates."

Page 10: "To make cotton now under loan and in CCC hands available for export at the earliest possible date, the Department is directed to catalog, prior to July 31, 1958, all cotton now in its hands."

In summary, these comments indicate it to be the sense of the Congress that the Department should continue to operate a competitive bid sales for export program along with the export subsidy-in-kind program announced by the President in his veto message on Senate Joint Resolution 162 on March 31, 1958, should reclass cotton before sale rather than after sale, and should catalog all cotton now under CCC loan or owned by CCC prior to July 31, 1958.

Export program

The President's announcement on March 31, 1958, that there would be placed in effect an export program for cotton (and also for corn and other feed grains) similar to the present export program on wheat, means that the Department of Agriculture is directed to place in effect a program providing that export subsidies on cotton (and corn and other feed grains) will be paid in kind rather than in cash. To make such a program effective, it is necessary that CCC have an inventory of cotton from which to make payments in kind. The Corporation now has available for sale only about 1½ million bales of cotton and it holds outstanding loans on approximately 3 million bales. Between now and August 1, 1958, the beginning of the next marketing season, it is anticipated that some of the cotton on hand will be sold, and that there will be substantial quantities of loan cotton redeemed. This will not leave enough cotton to operate a competitive sales for export program in the next marketing year in such a manner as will assure the ability of United States cotton exporters to obtain their fair share of the world markets. It was for this reason among others that the export subsidy program was ordered by the President.

While a dual program, that is, a competitive bid sales for export program combined with an export subsidy program, could physically be operated it would have several serious disadvantages and is not recommended. It would be confusing to the trade and would be expensive to administer. Further, it would not accomplish one of the major benefits which has resulted from the operation of the subsidy-in-kind export program for wheat, and that is, the elimination of Government sales as a factor in the market. The subsidy-

in-kind program places the full market in the hands of commercial traders and moves the commodity direct from the commercial markets to the export trade without running it through CCC hands. Farmers should thereby obtain broader markets and substantial price benefits. The subsidy-in-kind program directed by the President also will permit resumption of the normal operations of the established cotton futures markets which have been severely damaged in recent years by the concentration of cotton sales activity in the hands of the Government.

If a dual program were inaugurated, and then all CCC cotton were disposed of, it would not be possible to continue a subsidy-in-kind export program as directed by the President. A change in the program would result in further confusion both in administration and in the markets.

Reclassing

If the sales program were continued, it would not be desirable to attempt to reclass cotton before sales. There is no way to determine what cotton in CCC inventory would be purchased by exporters at any given time. Cotton merchants have a right to expect cotton they buy to be of the quality it was advertised to be at the time of their purchase. The task of reclassing all cotton in CCC inventory would be so great that there would be no assurance that the reclassification would be any more satisfactory to the purchaser than the original classification because of the time element involved. Even if the cotton could be reclassified immediately prior to the sale, there is no reason to believe that either the classification or the price received by CCC would be different than if the cotton were reclassified as is currently done under the program.

Catalog

It would not be appropriate to catalog the cotton until the loans mature. To do otherwise would practically preclude producers from taking advantage of the strengthening cotton market by redeeming their loans. This result would be the same whether or not the loans were called in advance of maturity. The Department should not, and does not plan to call these loans prior to maturity. (It has never been done in the case of cotton, though legally possible.) Loans are still available to producers through April 30, and if the loans were to be called in time to have the cotton cataloged by July 31, 1958, they would have to be called as of May 31. This would deprive producers of the opportunity in June and July to redeem their loans in a year in which it appears cotton prices might make redemption profitable to them.

From the standpoint of administration, it is practically a necessity that CCC take title to the cotton before a catalog is issued. This is because the individual loan documents (notes, loan agreements, and warehouse receipts) are maintained in the custody of Federal Reserve banks or cooperative associations in the cotton-producing areas throughout the United States. This policy has been followed for years

so as to make producers' paper more accessible to them in the event they wish to redeem their cotton. If a catalog were to be made of cotton in loan status, it would be necessary to concentrate all of this paper on 3 million bales of cotton in the New Orleans Commodity Office. This would make it practically impossible for the loan papers of any individual producers to be located and sent to them if they wished to redeem their loans. It would create a costly administrative workload during a period in which the office is not geared up to handle it, and the eventual cost of the catalog would be considerably greater than it would be if prepared after CCC acquires title to the cotton.

COMBINED COMPETITIVE BID SALES AND EXPORT SUBSIDY PROGRAM FOR CORN AND OTHER FEED GRAINS

The report of the House Appropriations Committee on the agriculture appropriation bill for 1959 argues insistently that competitive bid sales for export on not only cotton but other commodities should be continued if export subsidy programs are undertaken.

If this advice were to be followed, it would mean that the Department would have to continue to offer for sale on a competitive bid basis for export not only cotton but also corn and other feed grains while at the same time carrying out the President's direction in his veto message on Senate Joint Resolution 162 that export subsidies in kind be paid on these commodities.

Such a combination program just would not work for corn and other feed grains. CCC stocks of these grains are so large that an export subsidy would be relatively ineffective if the export trade had to compete with the Government for foreign markets. In order for this export subsidy program to work, the trade has to carry stocks which it can export. If the trade were to be faced with the huge stocks held by CCC for export, it would not know what kind of a position to take. These uncertainties would certainly add up to tremendous confusion and probably little in the way of beneficial effects.

Another point that must be considered is that supplies of corn and other feed grains in Government hands not only are large, but they are widely dispersed over the country. Moreover, they are fungible commodities. These characteristics of the commodity cause location and quality factors to be of great importance, and with the preponderance of stocks in Government hands, export traders would have little chance to compete with the CCC for export markets.

One of the major objectives for the subsidy-in-kind program directed by the President is to get the Government out of the grain business. This would not be accomplished with a dual program. Not only would the Government be both selling and paying subsidies but it would still be actively accumulating inventories. If the program works well, farm prices for these grains should be strengthened, making CCC loan operations and inventory acquisitions shrink. It will

benefit both the trade and producers and should result in less Government costs of operating the price support program.

There are no better grain salesmen alive than those in the commercial export business, and they will do a good job of maintaining and creating foreign markets if the relatively simple mechanism of an export subsidy can place them in competition from a price standpoint.

The subsidy-in-kind program for wheat has worked well. There is no reason to believe it cannot work effectively on corn and other feed grains if it is permitted to do so."

TITLE I—REGULAR ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

RESEARCH

The committee recommends an appropriation of \$59,362,390 for research, an increase of \$917,500 above the House bill, and \$1,382,500 below the budget estimates.

UTILIZATION RESEARCH

The budget requested increases for utilization research of \$4,600,000 over fiscal 1958, of which the House approved an increase of \$2,300,000, which is the amount recommended by the committee.

In addition to the above increases in appropriations, the budget proposed to utilize \$5,000,000 of funds available under Public Law 480 for utilization research in foreign countries. The committee approves the proposed use of these funds for research and requests that the Department report to the committee on the use of the funds and research accomplishments thereunder.

The total funds available, in this bill, for utilization research exceed \$20,000,000, a total increase over fiscal 1958 of \$7,300,000.

FARM RESEARCH

The budget estimate also proposed to make certain decreases in farm production research programs amounting to \$805,000. The committee concurs in the House action to continue these activities.

Within the amount restored for the National Arboretum the committee expects the Department to proceed with the preparation of detailed plans and specifications for facilities and other improvements needed to fully develop the Arboretum. Then if a public buildings program is enacted during this session of the Congress, the development and construction work can be started promptly, or based upon new plans and specifications current estimates of development costs should be included in next year's budget.

During the hearings on this bill the committee received a number of witnesses who urged that additional funds be included to strengthen existing research programs or to cope with new problems. The committee recommends that some of these items which it considers most needed be included. The following recommended increases amount to \$917,500, and are in addition to recommendations made by the House Report on some of these projects:

(1) \$100,000 to accelerate research on the boll weevil, in addition to the House proposal. This insect has caused

extensive damage to cotton for many years. Present control programs are costly and often ineffective. The committee recommends this increase to immediately strengthen research efforts and to enable the Department to review the problems of the boll weevil. It is requested that following such review, a comprehensive research program be developed which will embody the proposed needs, including plans for necessary facilities, for research and experimental purposes.

(2) \$75,000 for staffing the soil and water laboratory in the West which was authorized last year. The construction of this facility will be completed shortly after January 1, 1959, and with the funds provided herein the staffing of key personnel for the facility should be completed during fiscal 1959.

(3) \$125,000 for rust research on cereals, principally wheat and rice, in addition to the House proposal.

(4) \$75,000 each for sugar cane, and Hoja blanca disease affecting rice, in addition to the House proposal.

(5) \$140,000 for cold-hardiness research on citrus. This work is to be conducted at Orlando, Fla.; Indio, Calif.; and Weslaco, Tex.; in cooperation with State agricultural experiment stations and the citrus industry.

(6) \$50,000 each for oats, for farm electrification, and to initiate research on the "hotspot" conditions affecting areas of the Lower Rio Grande Valley.

(7) \$50,000 for naval stores research.

(8) \$25,000 each for research on barley, flax, small fruit crops in the Midwest, and for vegetable research at the new laboratory at Weslaco, Tex.

(9) \$7,500 for research on pear decline, thereby making \$20,000 available. This amount, together with continued local cooperation and private financing, should provide sufficient financing of this project for fiscal 1959.

(10) \$20,000 for dried bean research.

The committee requests the Department to give careful consideration to these and other farm research program needs in future budget requests.

ADDITIONAL RESEARCH FACILITIES

The committee received a number of proposals for soil and water, and other research facilities. These requests have merit but it was decided not to recommend any new construction items in the bill.

The committee requests the Department to make a study of facility needs for research on soil and water problems and to make a report to the committee on the scope of research results to be expected from existing facilities, and the feasibility of additional facilities. The report, to be made to the committee not later than March 1, 1959, should also include the Department's recommended priority and procedure to be followed in planning and authorizing additional new research facilities, for all major research programs.

PLANT AND ANIMAL DISEASE AND PEST CONTROL

The committee recommends an appropriation of \$47,132,000, an increase of \$5,400,000 over the House bill and \$5,000,000 above the

budget request, which is a total increase of \$17,050,000 over fiscal 1958 and mostly for Brucellosis eradication.

The budget proposed increases of \$1,150,000 to strengthen foreign plant quarantine, customs service inspection, and the screwworm eradication program, of which \$750,000 was approved by the House, and the committee recommends \$400,000 additional to restore the full amount in the budget estimate.

BRUCELLOSIS ERADICATION PROGRAM

The committee recommends an appropriation of \$20,000,000 for this program, an increase of \$5,000,000 over the House and over the budget request.

The committee recommends a direct appropriation for the Federal participation in Brucellosis eradication. It notes that considerable progress has been made in recent years, but believes the proposed decrease of about \$7,000,000, amounting to about 30 percent reduction, may retard the program of eradication. The recommended amount, together with continued State and local participation, should enable the program in fiscal 1959 to continue at the 1958 level.

MEAT INSPECTION

The committee recommends an appropriation of \$17,326,000, the budget estimate and the amount in the House bill, which is an increase of \$500,000 over fiscal 1958.

The committee was requested to increase this item by several interested persons and organizations. It is understood from testimony given by departmental officials that additional funds will be required, and requested in the proposed supplemental for fiscal 1959. Pending this study by the Department the committee does not recommend additional funds at this time.

POULTRY INSPECTION

The House bill included in this item \$7,000,000 for poultry inspection, by transferring the amount of the estimate from the Agricultural Marketing Service and by recommending a combination of meat and poultry inspection.

The committee recommends the retention of poultry inspection in the Agricultural Marketing Service as proposed in the budget request, and in line with the legislative history of the enactment of the mandatory Poultry Inspection Act.

The committee recommends that the language changes and the amount inserted by the House, on page 3, lines 20-22, be stricken.

In lieu of the matter stricken out, insert:

and meat-food products, and the applicable provisions of the laws relating to process or renovated butter; \$17,326,000

STATE EXPERIMENT STATIONS

An appropriation of \$31,553,708 is recommended, an increase of \$1,200,000 over the House allowance, the budget estimate, and the amount approved for fiscal 1958.

PENALTY MAIL

This committee recommends an appropriation of \$250,000 for penalty mail costs of agricultural experiment stations, the amount proposed in the budget estimate, and approved by the House.

EXTENSION SERVICE

PAYMENTS TO STATES

The committee recommends an appropriation of \$53,715,000, an increase of \$3,000,000 over the House bill and the budget estimate.

RETIREMENT COSTS FOR EXTENSION AGENTS

The committee recommends \$5,479,375 for mandatory retirement costs, the amount recommended in the budget estimate and approved by the House.

PENALTY MAIL

The committee recommends an appropriation of \$1,868,480 for penalty mail costs of State extension directors and county agents. This is the amount proposed in the budget estimate and approved by the House, and is \$295,520 under the appropriation for fiscal 1958.

FEDERAL EXTENSION SERVICE

An appropriation of \$2,096,540 is recommended, the amount requested in the budget estimate and approved by the House, and the amount provided in fiscal 1958.

FARMER COOPERATIVE SERVICE

The committee recommends an appropriation of \$578,000, the budget estimate, the amount approved by the House, and the amount appropriated in fiscal 1958.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

The committee concurs in the House recommendation to appropriate \$74,780,000, an increase of \$2,500,000 above the budget estimate, and \$2,235,000 above the appropriation for fiscal 1958.

WATERSHED PROTECTION

The committee recommends an appropriation of \$25,500,000, as proposed by the House, an increase of \$1,500,000 over the revised budget estimate, and the same amount as appropriated in fiscal 1958.

FLOOD PREVENTION

The committee recommends an appropriation of \$18,000,000, the revised budget estimate, the amount in the House bill, and an increase of \$4,780,000 over fiscal 1958.

WATER CONSERVATION AND UTILIZATION PROJECTS

An appropriation of \$335,000 is recommended. This is the amount proposed in the budget estimate, the amount in the House bill, and \$15,000 under fiscal 1958.

GREAT PLAINS CONSERVATION PROGRAM

The committee recommends \$10,000,000, the amount proposed in the budget, the amount in the House bill, and the amount provided in fiscal 1958.

AGRICULTURAL CONSERVATION PROGRAM

The committee recommends an appropriation of \$235,000,000, to meet the commitments to participants under the 1958 program authorization of \$250,000,000. This is the amount requested in the budget estimate, and approved by the House.

The committee has denied the Department's recommendation to restore the budget estimate for the 1959 advance program authorization of \$125,000,000, a decrease of \$125,000,000. The committee concurs in the House action to approve a \$250,000,000 authorization for the 1959 program.

In view of repeated efforts by departmental officials to restrict this program, the committee recommends that the following proviso be added to the bill. On page 12, line 5, insert:

: Provided further, That no change shall be made in such 1959 program which will have the effect, in any county, of restricting eligibility requirements or cost-sharing on practices included in the 1958 program, unless such change shall have been recommended by the county committee and approved by the State committee.

The recommended language is intended to preclude changes in the 1959 National Program Bulletin which would have the effect of causing restrictions or limitations on practices or cost sharing, from the 1958 program, except for changes recommended by county ASC committees and approved by the respective State ASC committee.

AGRICULTURAL MARKETING SERVICE

MARKETING RESEARCH AND SERVICE

Marketing research and agricultural estimates

The committee recommends an appropriation of \$14,287,000, an increase of \$192,000 over the House bill and the budget request, and an increase of \$170,300 over fiscal 1958.

The increase recommended by the committee is to provide funds required to expand the Cattle on Feed Reports to 13 additional States, and to provide monthly interim statistics to supplement these quarterly reports.

Marketing services

The committee recommends an appropriation of \$21,272,000, an increase of \$75,000 over the budget estimate, and \$7,175,000 over the

House bill. The principal increase over the House bill is \$7,000,000 for poultry inspection.

The committee recommends an increase of \$100,000 over the House for administration of the Packers and Stockyards Act, to restore the full increase, \$225,000, requested in the budget.

The committee also recommends extension of Wholesale Meat Reports to Omaha and Denver amounting to \$18,000 annually; to provide Federal Livestock Market News Service for New Mexico and to include adjacent areas in Texas, Kansas, and Oklahoma, at a cost of \$24,000, for a category I marketing area; and \$33,000 for strengthening wool standardization and grading work; for a total increase of \$75,000 for these items.

The attention of the committee has been called to the need for additional funds for lettuce and vegetable reporting in the Southwest due to greatly expanded production. The Department is requested to include the required funds in an estimate in connection with the proposed supplemental appropriation bill, 1959, if the cost of reporting these new areas cannot be absorbed within the funds provided in this bill.

PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS

The committee recommends an appropriation of \$1,160,000, the budget estimate, amount of the House allowance, and the appropriation in fiscal 1958.

SCHOOL LUNCH PROGRAM

The committee recommends an appropriation of \$125,000,000, an increase of \$25,000,000, over the budget estimate and the House bill.

An increased direct appropriation is recommended in lieu of the proviso inserted by the House to use section 32 funds for purchase and distribution of food commodities. The Department already has ample authority to provide foods acquired under section 32 programs to the school lunch program. In addition it has authority to donate foods under section 416 authority, and it uses these authorities.

The committee is concerned with the amounts donated to foreign countries under section 416 which has the effect of decreasing donations to the school lunch, and other domestic programs. The committee urges the Department to give the school-lunch program first priority and make certain that adequate food donations are made.

The committee recommends deletion of the proviso inserted by the House as follows:

Page 16, beginning on line 11, strike out the following paragraph:

: Provided further, That \$55,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act, such additional funds to be used for the general purposes of section 32.

FOREIGN AGRICULTURAL SERVICE

The committee recommends an appropriation of \$4,002,300, the budget estimate, the amount in the House bill, and the amount appropriated in fiscal 1958.

The Department is directed to use counterpart funds to fill the vacancies urgently needed for attachés and supporting staff, and should use these funds to the fullest extent possible for all foreign expenditures.

COMMODITY EXCHANGE AUTHORITY

The committee recommends an appropriation of \$832,000, the amount in the estimate, and in the House bill, and the amount provided for fiscal 1958.

SOIL BANK PROGRAMS

CONSERVATION RESERVE PROGRAM

An appropriation of \$200,000,000 is recommended, which is \$50,000,000 below the House bill, and \$150,000,000 below the budget estimate. This amount is an increase of \$37,060,000 over the amount appropriated for fiscal 1958. Based upon information provided to the committee, this amount will be sufficient to pay rental and practice costs for the 1958 sign-up, and for prior years.

LIMITATION ON ADMINISTRATIVE EXPENSES

The committee recommends a partial restoration of the limitation by striking out \$15,000,000, as proposed by the House and inserting in lieu thereof \$17,000,000, an increase in total limitation of \$2,000,000 over the House bill but \$1,000,000 below the estimate. The committee also recommends full restoration of the amount to be transferred to "Local administration, section 388," by striking out \$12,000,000, as proposed by the House and inserting \$13,500,000, an increase of \$1,500,000 as requested in the budget estimate.

AUTHORIZATION FOR 1959 PROGRAM

The committee recommends a 1959 program authorization of \$450,000,000, an increase of \$150,000,000 over the House bill, and the amount proposed in the budget request.

LIMITATIONS ON ANNUAL AND PRACTICE PAYMENTS

The committee recommends that the following proviso in the House bill on page 18, lines 9-15, be stricken:

: Provided further, That no part of these funds shall be paid on any contract where payments are made for land rental at rates in excess of 20 per centum of the current value of the land rented or where payments are made for conservation practices in excess of the average rate for comparable practices under the agricultural conservation program.

The committee shares the concern of the House over high rental payments made under this program and believes that careful consideration should be given making downward adjustments. In lieu of the proviso stricken out the committee recommends insertion of the following proviso, which requires the Secretary of Agriculture to give due consideration to the value of land and rental value thereon:

: Provided further, That in determining the amount of rental payments the Secretary shall give due consideration to the value of the land and the rental value thereof.

ACREAGE RESERVE PROGRAM

The committee recommends an appropriation of \$330,000,000, the amount in the House bill, the budget estimate, and \$270,000,000 under the appropriation for fiscal 1958.

COMMODITY STABILIZATION SERVICE

ACREAGE ALLOTMENTS AND MARKETING QUOTAS

The committee recommends an appropriation of \$39,715,000. This is the amount proposed in the budget and approved by the House. This decrease of \$1,000,000 from fiscal 1958 results from improved operating methods in local offices.

SUGAR ACT PROGRAM

The committee recommends \$76,000,000, the amount proposed in the budget estimate, an increase of \$5,000,000 over the \$71,000,000 proposed in the House bill, and an increase of \$8,337,500 over the amount provided in fiscal 1958.

The funds in this appropriation are used to make mandatory payments required by law and the amount recommended will enable the Department to avoid deferring 1958 crop payments until fiscal 1960.

FEDERAL CROP INSURANCE CORPORATION

The committee recommends an appropriation of \$6,376,700, the amount of the budget request, the amount approved by the House, and the amount provided for fiscal 1958.

RURAL ELECTRIFICATION ADMINISTRATION

LOAN AUTHORIZATIONS

For the rural electrification program the committee recommends an authorization of \$317,000,000, an increase over the House bill of \$17,000,000, and an increase over the budget estimates of \$167,000,000.

For the rural telephone program the committee recommends an authorization of \$67,500,000, an increase over the House bill of \$7,500,000, and \$11,500,000 over the budget estimates.

In addition a \$25,000,000 contingency authorization is provided for each program, as approved by the House.

The committee feels that the Rural Electrification Administration has a responsibility for assisting and promoting rural telephone cooperatives where necessary to secure telephone service to farmers.

SALARIES AND EXPENSES

The committee recommends an appropriation of \$9,019,000, the amount proposed in the budget, and approved by the House, and \$11,950 under the amount provided in fiscal 1958.

FARMERS' HOME ADMINISTRATION

LOAN AUTHORIZATIONS

The committee recommends loan authorizations totaling \$209,500,000, and in addition thereto a \$20,000,000 contingency authorization. This is the same amount as authorized by the House bill, and is \$34,500,000 over the consolidated budget estimate of \$175,000,000; and the total authorization provided in fiscal 1958.

The committee believes the contingency authorization approved by the House is too restrictive, in that use of the \$20,000,000 is limited to title II, farm operating loans. The committee recommends striking the House language on page 23, lines 1-7, and inserting in lieu thereof the following:

: Provided further, That additional amounts, not to exceed \$20,000,000, may be borrowed under the same terms and conditions to the extent that such additional amounts are required during the fiscal year 1959, under the then existing conditions, for the expeditious and orderly conduct of these programs.

The recommended language makes the contingency authorization funds available for any one or all loan programs.

SALARIES AND EXPENSES

The committee recommends an appropriation of \$29,089,500, the amount requested in the budget estimates, approved by the House, and appropriated in fiscal 1958.

OFFICE OF THE GENERAL COUNSEL

The committee recommends an appropriation of \$3,043,000, the amount requested in the budget estimate, an increase of \$100,000 over the House bill, and \$100,000 over the appropriation for fiscal 1958.

OFFICE OF THE SECRETARY

The committee recommends \$2,668,895, the amount in the House bill, an increase of \$8,235 over the estimate, and over the amount provided in fiscal 1958.

OFFICE OF INFORMATION

The committee recommends \$1,359,265, the amount in the House bill, and \$8,235 under the budget estimates, and under the amount provided in fiscal 1958.

LIBRARY

An appropriation of \$772,000 is recommended, which is the amount proposed in the budget and in the House bill, and the same amount as provided in fiscal 1958.

TITLE II—CORPORATIONS

COMMODITY CREDIT CORPORATION

RESTORATION OF CAPITAL IMPAIRMENT

■ The amount of \$1,760,399,886, which is the budget estimate and amount in the House bill, is recommended to restore the capital impairment of the Corporation through June 30, 1957. This represents an increase of \$520,611,215 over the amount required in fiscal 1958.

LIMITATION ON ADMINISTRATIVE EXPENSES

The committee recommends a limitation on administrative expenses of \$35,398,000, the amount approved by the House, which is \$702,000 under the budget estimate, and is the amount provided in fiscal 1958.

TITLE III—RELATED AGENCIES

FARM CREDIT ADMINISTRATION

CORPORATE ADMINISTRATIVE EXPENSE LIMITATIONS

The committee recommends administrative expense limitations of \$3,818,000 for the Farm Credit Administration and for the Federal intermediate credit banks through December 31, 1958, after which these banks will not be subject to congressional limitation, pursuant to the Farm Credit Act, 1956.

The expense limitations recommended are in the amounts as proposed in the budget estimate and the House bill, and represent a decrease of \$1,757,000 under fiscal 1958.

PERMANENT AUTHORIZATIONS

Agency and item	Authorizations, 1958	Estimates, 1959	Increase or decrease
Agricultural Marketing Service:			
Removal of surplus agricultural commodities.....	\$220, 878, 158	\$232, 500, 000	+\$11, 621, 842
Perishable Agricultural Commodities Act fund.....	662, 000	679, 600	+17, 600
Total, Agricultural Marketing Service.....	221, 540, 158	233, 179, 600	+11, 639, 442
Commodity Stabilization Service: National Wool Act.....	29, 671, 679	30, 000, 000	+328, 321
Total, permanent appropriations.....	251, 211, 837	263, 179, 600	+11, 967, 763

LOAN AUTHORIZATIONS

Agency and item	Authoriza- tions, 1958	Estimates, 1959	Recommended in House bill for 1959	Amount recommended by Senate committee	Increase (+) or decrease (-) Senate bill compared with—		
					Authoriza- tions, 1958	Estimates, 1959	House bill
Rural Electrification Administration:							
Electrification.....	\$179,000,000	\$150,000,000	¹ \$300,000,000	\$317,000,000	+\$138,000,000	+\$167,000,000	+\$17,000,000
Telephone.....	60,000,000	56,000,000	1 60,000,000	67,500,000	+7,500,000	+11,500,000	+7,500,000
Total, Rural Electrification Administration.....	239,000,000	206,000,000	360,000,000	384,500,000	+145,500,000	+178,500,000	+24,500,000
Farmers Home Administration:							
Farm ownership and farm housing.....	24,000,000	(²)	24,000,000	24,000,000	-----	(²)	-----
Farm operating (production and subsistence).....	180,000,000	(²)	² 180,000,000	180,000,000	-----	(²)	-----
Soil and water conservation.....	5,500,000	(²)	5,500,000	5,500,000	-----	(²)	-----
Total, Farmers Home Administration.....	209,500,000	175,000,000	209,500,000	³ 209,500,000	-----	+34,500,000	-----
Total, loan authorizations.....	448,500,000	381,000,000	569,500,000	594,000,000	+145,500,000	+213,000,000	+24,500,000

¹ In addition, contingency funds of \$25,000,000 for each program authorized.

² Budget proposed to appropriate lump-sum amount to be used for all categories of loans at discretion of Secretary of Agriculture.

³ In addition, contingency fund of \$20,000,000 authorized; as amended by Senate, use is not restricted to farm operating loans.

**COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1958 AND ESTIMATES AND AMOUNTS RECOMMENDED
IN BILL FOR 1959
REGULAR ACTIVITIES (TITLE I)**

Agency and item	Appropriations, 1958	Estimates 1959	Recommended in House bill for 1959	Amount recommended by Senate committee	Increase (+) or decrease (—) compared with—		
					Appropriations, 1958	Estimates, 1959	House bill
Agricultural Research Service:							
Salaries and expenses:							
Research.....	1 \$57,794,800	\$60,744,800	\$58,444,800	\$59,362,390	+\$1,567,500	—\$1,382,500	+\$917,500
Plant and animal disease and pest control.....	30,082,000	42,132,000	41,732,000	47,132,000	+17,050,000	+5,000,000	+5,400,000
Meat inspection.....	16,826,000	17,326,000	24,326,000	17,326,000	+500,000	-----	—7,000,000
Total, Salaries and expenses.....	104,702,800	120,202,800	124,502,800	123,820,390	+19,117,500	+3,617,500	—682,500
State experiment stations:							
Payments to States, Hawaii, Alaska and Puerto Rico.....	30,353,708	30,353,708	30,353,708	31,553,708	+1,200,000	+1,200,000	+1,200,000
Penalty mail.....	250,000	250,000	250,000	250,000	-----	-----	-----
Total, State experiment stations.....	30,603,708	30,603,708	30,603,708	31,803,708	+1,200,000	+1,200,000	+1,200,000
Total, Agricultural Research Service.....	135,306,598	150,806,598	155,106,598	155,624,098	+20,317,500	+4,817,500	+487,500
Extension Service:							
Payments to States, Hawaii, Alaska, and Puerto Rico.....	50,715,000	50,715,000	50,715,000	53,715,000	+3,000,000	+3,000,000	+3,000,000
Retirement costs for extension agents.....	5,280,000	5,479,375	5,479,375	5,479,375	+219,375	-----	-----
Penalty mail.....	2,164,000	1,868,480	1,868,480	1,868,480	—295,520	-----	-----
Federal Extension Service.....	2,096,540	2,096,540	2,096,540	2,096,540	-----	-----	-----
Total, Extension Service.....	60,255,540	60,159,395	60,159,395	63,159,395	+2,923,855	+3,000,000	+3,000,000
Farmer Cooperative Service.....	578,000	578,000	578,000	578,000	-----	-----	-----

Soil Conservation Service:									
Conservation operations.....	72,545,000	72,280,000	74,780,000	74,750,000	+2,235,000	+2,500,000	-----	-----	-----
Watershed protection.....	25,500,000	24,000,000	25,500,000	25,500,000	-----	+1,500,000	-----	-----	-----
Flood prevention.....	13,220,000	18,000,000	18,000,000	18,000,000	+4,780,000	-----	-----	-----	-----
Water conservation and utilization projects.....	350,000	335,000	335,000	335,000	-15,000	-----	-----	-----	-----
Great Plains conservation program.....	10,000,000	10,000,000	10,000,000	10,000,000	-----	-----	-----	-----	-----
Total, Soil Conservation Service.....	121,615,000	124,615,000	128,615,000	128,615,000	+7,000,000	+4,000,000	-----	-----	-----
Agricultural Conservation Program Service:									
Agricultural conservation program.....	212,000,000	235,000,000	235,000,000	235,000,000	+23,000,000	-----	-----	-----	-----
Emergency conservation measures.....	20,000,000	-----	-----	-----	-20,000,000	-----	-----	-----	-----
Total, Agricultural Conservation Program Service.....	232,000,000	235,000,000	235,000,000	235,000,000	+3,000,000	-----	-----	-----	-----
Agricultural Marketing Service:									
Marketing research and service:									
Marketing research and agricultural estimates.....	\$14,116,700	\$14,095,000	\$14,095,000	\$14,257,000	+\$170,300	+\$192,000	+\$192,000	+\$192,000	-----
Marketing services.....	15,574,900	21,197,000	14,097,000	21,272,000	+5,697,100	+75,000	+75,000	+7,175,000	-----
Total, marketing research and service.....	29,691,600	35,292,000	28,192,000	35,559,000	+5,867,400	+267,000	+267,000	+7,367,000	-----
Payments to States, Territories, and possessions:									
School lunch program.....	1,160,000	1,160,000	1,160,000	1,160,000	-----	-----	-----	-----	-----
Total, Agricultural Marketing Service.....	100,000,000	100,000,000	100,000,000	125,000,000	+25,000,000	+25,000,000	+25,000,000	+25,000,000	-----
Foreign Agricultural Service.....	130,851,600	136,452,000	129,352,000	161,719,000	+30,867,400	+25,267,000	+25,267,000	+32,367,000	-----
Commodity Exchange Authority.....	4,002,300	4,002,300	4,002,300	4,002,300	-----	-----	-----	-----	-----
Soil bank programs:	832,000	832,000	832,000	832,000	-----	-----	-----	-----	-----
Conservation reserve.....	162,940,000	350,000,000	250,000,000	290,000,000	+37,060,000	-150,000,000	-150,000,000	-50,000,000	-----
Acreage reserve.....	660,000,000	330,000,000	330,000,000	330,000,000	-270,000,000	-----	-----	-----	-----
Total, soil bank programs.....	7762,940,000	680,000,000	580,000,000	530,000,000	-232,940,000	-150,000,000	-150,000,000	-50,000,000	-----

See footnotes at end of table, p. 21.

Comparative statement of appropriations for 1958 and estimates and amounts recommended in bill for 1959—Continued

REGULAR ACTIVITIES (TITLE I)—Continued

Agency and item	Appropriations, 1958	Estimates, 1959	Recommended in House bill for 1959	Amount recommended by Senate committee	Increase (+) or decrease (—) Senate bill compared with—	
					Appropriations, 1958	Estimates, 1959
Commodity Stabilization Service:						
Acreage allotments and marketing quotas.....	\$40,715,000	\$39,715,000	\$39,715,000	\$39,715,000	—\$1,000,000	-----
Sugar Act program.....	67,662,500	76,000,000	71,000,000	76,000,000	+8,337,500	+ \$5,000,000
Total, Commodity Stabilization Service.....	108,377,500	115,715,000	110,715,000	115,715,000	+7,337,500	+5,000,000
Federal Crop Insurance Corporation: Operating and adminis- trative expenses.....	6,376,700	6,376,700	6,376,700	6,376,700	-----	-----
Rural Electrification Administration: Salaries and expenses.....	9,030,950	9,019,000	9,019,000	9,019,000	—11,950	-----
Farmers' Home Administration: Salaries and expenses.....	29,089,500	29,089,500	29,089,500	29,089,500	-----	-----
Office of General Counsel.....	2,943,000	3,043,000	2,943,000	3,043,000	+100,000	+100,000
Office of Secretary.....	2,660,660	2,660,660	2,668,895	2,668,895	+8,235	+ \$8,235
Office of Information.....	1,367,500	1,367,500	1,359,265	1,359,265	—8,235	—8,235
Library.....	772,000	772,000	772,000	772,000	-----	-----
Total, regular activities.....	1,608,978,848	1,560,488,653	1,456,588,653	1,447,573,153	—161,405,695	—112,915,500
						—9,015,500

CORPORATIONS (TITLE II)

Federal Crop Insurance Corporation Fund.....						
Commodity Credit Corporation:						
Restoration of capital impairment.....	1,239,788,671	1,760,399,886	1,760,399,886	1,760,399,886	+ \$520,611,215	-----
Administrative expense limitation.....	(35,388,000)	(36,100,000)	(35,398,000)	(35,388,000)	-----	(—\$702,000)
Total Corporations.....	1,239,788,671	1,760,399,886	1,760,399,886	1,760,399,886	+520,611,215	-----

SPECIAL ACTIVITIES

Reimbursements to Commodity Credit Corporations:					
Animal disease eradication	\$18,581,660	(⁶)			-\$18,581,660
Grading and classing	80,449	(⁶)			-80,449
Special commodity disposal programs	824,414,129	(⁶)			-824,414,129
Total, special activities	843,076,238	(⁶)			-843,076,238

RELATED AGENCIES (TITLE III)

Farm Credit Administration	(\$2,200,000)	(\$2,125,000)	(\$2,125,000)	(\$2,125,000)	(-\$75,000)	
Federal intermediate credit banks	(3,375,000)	(1,693,000)	(1,693,000)	(1,693,000)	(-1,682,000)	
Total, related agencies	(5,575,000)	(3,818,000)	(3,818,000)	(3,818,000)	(-1,757,000)	
Total, titles I through III	3,691,843,757	3,320,888,539	3,216,988,539	3,207,973,039	-483,870,718	-\$9,015,500
Amounts contained in Second Supplemental Appropriation Act, 1958	2,235,388,118				-2,235,388,118	
Total, including supplemental items	5,927,231,875	3,320,888,539	3,216,988,539	3,207,973,039	-2,719,258,836	-9,015,500

¹ In addition, \$5,250 included in Second Supplemental Appropriation Act, 1958, for pear decline research.
² Includes \$20,000,000 direct appropriation for eradication of brucellosis previously financed from CCC funds.
³ Funds for mandatory poultry inspection under Public Law 85-172 transferred to appropriation for "meat inspection" by the House but restored to "marketing services" in the Senate bill.
⁴ Amended by H. Doc. 351, dated Mar. 12, 1958.
⁵ In addition, language in bill transfers \$55,000,000 to this appropriation from sec. 32 funds for purchase and distribution of additional agricultural commodities for school lunch use.
⁶ \$250,000 additional included in Second Supplemental Appropriation Act, 1958.
⁷ In addition, reimbursement to CCC for costs incurred for soil-bank programs through June 30, 1957 in amount of \$489,500,000 contained in Second Supplemental Appropriation Act, 1958.
⁸ The sum of \$8,235 transferred from Office of Information to Office of Secretary to permit preparation and distribution of speeches by the Secretary, Under Secretary, and Assistant Secretaries in the Secretary's immediate office.
⁹ No estimates included in budget for 1959. Amounts for these items totaling \$1,745,631,868 are contained in Second Supplemental Appropriation Act, 1958.

Calendar No. 1463

85TH CONGRESS
2D SESSION

H. R. 11767

[Report No. 1438]

IN THE SENATE OF THE UNITED STATES

APRIL 2, 1958

Read twice and referred to the Committee on Appropriations

APRIL 18, 1958

Reported, under authority of the order of the Senate of April 17, 1958, by Mr.
RUSSELL, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for the Department of Agriculture and
Farm Credit Administration for the fiscal year ending June
30, 1959, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and Farm Credit Administration for
6 the fiscal year ending June 30, 1959, namely:

1 DEPARTMENT OF AGRICULTURE

2 TITLE I—REGULAR ACTIVITIES

3 AGRICULTURAL RESEARCH SERVICE

4 SALARIES AND EXPENSES

5 For expenses necessary to perform agricultural research
6 relating to production and utilization, to control and eradicate
7 pests and plant and animal diseases, and to perform related
8 inspection, quarantine and regulatory work, and meat in-
9 spection: *Provided*, That not to exceed \$75,000 of the appro-
10 priations hereunder shall be available for employment pur-
11 suant to the second sentence of section 706 (a) of the
12 Organic Act of 1944 (5 U. S. C. 574), as amended by
13 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) :
14 *Provided further*, That appropriations hereunder shall be
15 available for the operation and maintenance of aircraft and
16 the purchase of not to exceed two, of which one shall be
17 for replacement only: *Provided further*, That appropria-
18 tions hereunder shall be available pursuant to title 5, United
19 States Code, section 565a, for the construction, alteration,
20 and repair of buildings and improvements, but unless other-
21 wise provided, the cost of constructing any one building
22 (except headhouses connecting greenhouses) shall not ex-
23 ceed \$10,000, except for five buildings to be constructed or
24 improved at a cost not to exceed \$20,000 each, and the cost
25 of altering any one building during the fiscal year shall not

1 exceed \$3,750 or 4 per centum of the cost of the building,
2 whichever is greater:

3 Research: For research and demonstrations on the pro-
4 duction and utilization of agricultural products, and related
5 research and services, including administration of payments
6 to State agricultural experiment stations; ~~\$58,444,890~~ \$59,-
7 362,390: *Provided*, That the limitations contained herein
8 shall not apply to replacement of buildings needed to carry
9 out the Act of April 24, 1948 (21 U. S. C. 113a) ;

10 Plant and animal disease and pest control: For opera-
11 tions and measures to control and eradicate pests and plant
12 and animal diseases and for carrying out assigned inspection,
13 quarantine and regulatory activities, as authorized by law;
14 ~~\$41,732,000~~ \$47,132,000, of which \$1,000,000 shall be ap-
15 portioned for use pursuant to section 3679 of the Revised
16 Statutes, as amended, for the control of outbreaks of insects
17 and plant diseases to the extent necessary to meet emergency
18 conditions;

19 Meat inspection: For carrying out the provisions of laws
20 relating to Federal inspection of meat, ~~meat food products,~~
21 ~~and poultry, and the applicable provisions of the laws relat-~~
22 ~~ing to process or renovated butter;~~ \$24,326,000 ~~and meat-~~
23 ~~food products, and the applicable provisions of the laws relat-~~
24 ~~ing to process or renovated butter;~~ \$17,326,000.

STATE EXPERIMENT STATIONS

Payments to States, Hawaii, Alaska, and Puerto Rico:
For payments to agricultural experiment stations to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U. S. C. 361a-361i), including administration by the United States Department of Agriculture, ~~\$29,853,708~~ \$31,053,708; and payments authorized under section 204 (b) of the Agricultural Marketing Act, the Act approved August 14, 1946 (7 U. S. C. 1623), \$500,000; in all, ~~\$30,353,708~~ \$31,553,708.

Penalty mail: For penalty mail costs of agricultural experiment stations, under section 6 of the Hatch Act of 1887, as amended \$250,000.

DISEASES OF ANIMALS AND POULTRY

Eradication activities: For expenses necessary in the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuro-pneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for foot-and-mouth disease and rinderpest programs undertaken pursuant to the provisions of the Act of February 28, 1947, and the Act of May 29, 1884, as amended (7 U. S. C. 391; 21 U. S. C. 111-122), including expenses in accordance with section 2 of said Act

1 of February 28, 1947, the Secretary may transfer from
 2 other appropriations or funds available to the bureaus, cor-
 3 porations, or agencies of the Department such sums as he
 4 may deem necessary, but not to exceed \$1,000,000 for
 5 eradication of vesicular exanthema of swine, to be available
 6 only in an emergency which threatens the livestock or
 7 poultry industry of the country, and any unexpended bal-
 8 ances of funds transferred under this head in the next pre-
 9 ceding fiscal year shall be merged with such transferred
 10 amounts: *Provided*, That this appropriation shall be subject
 11 to applicable provisions contained in the item "Salaries and
 12 expenses, Agricultural Research Service".

13 EXTENSION SERVICE

14 COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

15 Payments to States, Hawaii, Alaska, and Puerto Rico:
 16 For payments for cooperative agricultural extension work
 17 under the Smith-Lever Act, as amended by the Act of June
 18 26, 1953 (7 U. S. C. 341-348), and the Act of August 11,
 19 1955 (7 U. S. C. 347a), ~~\$49,220,000~~ \$52,220,000; and
 20 payments and contracts for such work under section 204
 21 (b)-205 of the Agricultural Marketing Act of 1946 (7
 22 U. S. C. 1623-1624), \$1,495,000; in all, ~~\$50,715,000~~
 23 \$53,715,000: *Provided*, That funds hereby appropriated
 24 pursuant to section 3 (c) of the Act of June 26, 1953,

1 shall not be paid to any State, Hawaii, Alaska, or Puerto
2 Rico prior to availability of an equal sum from non-Federal
3 sources for expenditure during the current fiscal year.

4 Retirement costs for extension agents: For cost of
5 employer's share of Federal retirement for cooperative
6 extension employees, \$5,479,375.

7 Penalty mail: For costs of penalty mail for coopera-
8 tive extension agents and State extension directors,
9 \$1,868,480.

10 Federal Extension Service: For administration of the
11 Smith-Lever Act, as amended by the Act of June 26, 1953
12 (7 U. S. C. 341-348), and the Act of August 11, 1955
13 (7 U. S. C. 347a), and extension aspects of the Agricultural
14 Marketing Act of 1946 (7 U. S. C. 1621-1627), and to
15 coordinate and provide program leadership for the extension
16 work of the Department and the several States, Territories,
17 and insular possessions, \$2,096,540.

18 FARMER COOPERATIVE SERVICE

19 SALARIES AND EXPENSES

20 For necessary expenses to carry out the Act of July 2,
21 1926 (7 U. S. C. 451-457), \$578,000.

22 SOIL CONSERVATION SERVICE

23 CONSERVATION OPERATIONS

24 For necessary expenses for carrying out the provisions
25 of the Act of April 27, 1935 (16 U. S. C. 590a-590f),

1 including preparation of conservation plans and establish-
2 ment of measures to conserve soil and water (including farm
3 irrigation and land drainage and such special measures as
4 may be necessary to prevent floods and the siltation of reser-
5 voirs) ; operation of conservation nurseries; classification and
6 mapping of soils; dissemination of information; purchase
7 and erection or alteration of permanent buildings; and
8 operation and maintenance of aircraft; \$74,780,000:
9 *Provided*, That the cost of any permanent building pur-
10 chased, erected, or as improved, exclusive of the cost of
11 constructing a water supply or sanitary system and connect-
12 ing the same to any such building and with the exception of
13 buildings acquired in conjunction with land being purchased
14 for other purposes, shall not exceed \$2,500, except for eight
15 buildings to be constructed or improved at a cost not to exceed
16 \$15,000 per building and except that alterations or improve-
17 ments to other existing permanent buildings costing \$2,500
18 or more may be made in any fiscal year in an amount not to
19 exceed \$500 per building: *Provided further*, That no part
20 of this appropriation shall be available for the construction
21 of any such building on land not owned by the Government:
22 *Provided further*, That in the State of Missouri, where the
23 State has established a central State agency authorized to
24 enter into agreements with the United States or any of its
25 agencies on policies and general programs for the saving of

1 its soil by the extension of Federal aid to any soil conserva-
2 tion district in such State, the agreements made by or on
3 behalf of the United States with any such soil conservation
4 district shall have the prior approval of such central State
5 agency before they shall become effective as to such district:
6 *Provided further*, That no part of this appropriation may be
7 expended for soil and water conservation operations under
8 the Act of April 27, 1935 (16 U. S. C. 590a-590f), in
9 demonstration projects: *Provided further*, That not to exceed
10 \$5,000 may be used for employment pursuant to the second
11 sentence of section 706 (a) of the Organic Act of 1944
12 (5 U. S. C. 574), as amended by section 15 of the Act of
13 August 2, 1946 (5 U. S. C. 55a): *Provided further*, That
14 qualified local engineers may be temporarily employed at
15 per diem rates to perform the technical planning work of
16 the service.

17 WATERSHED PROTECTION

18 For expenses necessary to conduct surveys, investiga-
19 tions, and research and to carry out preventive measures,
20 including, but not limited to, engineering operations, methods
21 of cultivation, the growing of vegetation, and changes in use
22 of land, in accordance with the Watershed Protection and
23 Flood Prevention Act, approved August 4, 1954, as
24 amended (16 U. S. C. 1001-1007), and the provisions of the
25 Act of April 27, 1935 (16 U. S. C. 590a-590f), to remain

1 available until expended, \$25,500,000, with which shall be
2 merged the unexpended balances of funds heretofore appro-
3 priated or transferred to the Department for watershed pro-
4 tection purposes: *Provided*, That not to exceed \$100,000
5 may be used for employment pursuant to the second sentence
6 of section 706 (a) of the Organic Act of 1944 (5 U. S. C.
7 574), as amended by section 15 of the Act of August 2,
8 1946 (5 U. S. C. 55a).

9 FLOOD PREVENTION

10 For expenses necessary, in accordance with the Flood
11 Control Act, approved June 22, 1936 (33 U. S. C. 701-
12 709), as amended and supplemented, and in accordance
13 with the provisions of laws relating to the activities of the
14 Department, to perform works of improvement, including
15 not to exceed \$100,000 for employment pursuant to the
16 second sentence of section 706 (a) of the Organic Act of
17 1944 (5 U. S. C. 574), as amended by section 15 of the
18 Act of August 2, 1946 (5 U. S. C. 55a), to remain avail-
19 able until expended, \$18,000,000, with which shall be
20 merged the unexpended balances of funds heretofore ap-
21 propriated or transferred to the Department for flood pre-
22 vention purposes: *Provided*, That no part of such funds
23 shall be used for the purchase of lands in the Yazoo and
24 Little Tallahatchie watersheds without specific approval of

1 the county board of supervisors of the county in which
2 such lands are situated.

3 WATER CONSERVATION AND UTILIZATION PROJECTS

4 For expenses necessary to carry out the functions of the
5 Department under the Acts of August 11, 1939, and October
6 14, 1940 (16 U. S. C. 590y-z-10), as amended and supple-
7 mented, June 28, 1949 (63 Stat. 277), and September
8 6, 1950 (7 U. S. C. 1033-39), relating to water con-
9 servation and utilization projects, to remain available until
10 expended, \$335,000, which sum shall be merged with
11 the unexpended balances of funds heretofore appropriated
12 to said Department for the purpose of said Acts.

13 GREAT PLAINS CONSERVATION PROGRAM

14 For necessary expenses to carry into effect a program
15 of conservation in the Great Plains area, pursuant to section
16 16 (b) of the Soil Conservation and Domestic Allotment
17 Act, as added by the Act of August 7, 1956 (16 U. S. C.
18 590p), \$10,000,000, to remain available until expended.

19 AGRICULTURAL CONSERVATION PROGRAM

20 For necessary expenses to carry into effect the pro-
21 gram authorized in sections 7 to 15, 16 (a), and 17 of the
22 Soil Conservation and Domestic Allotment Act, approved
23 February 29, 1936, as amended (16 U. S. C. 590g-590
24 (o), 590p (a), and 590q), including not to exceed \$6,000
25 for the preparation and display of exhibits, including such

1 displays at State, interstate, and international fairs within
2 the United States; \$235,000,000, to remain available until
3 December 31 of the next succeeding fiscal year for compli-
4 ance with the program of soil-building and soil- and water-
5 conserving practices authorized under this head in the
6 Department of Agriculture and Farm Credit Administration
7 Appropriation Act, 1958, carried out during the period July
8 1, 1957, to December 31, 1958, inclusive: *Provided*, That
9 not to exceed \$24,698,000 of the total sum provided under
10 this head shall be available during the current fiscal year
11 for administrative expenses for carrying out such program,
12 the cost of aerial photographs, however, not to be charged
13 to such limitation; but not more than \$5,025,800 shall be
14 transferred to the appropriation account "Administrative
15 expenses, section 392, Agricultural Adjustment Act of
16 1938": *Provided further*, That none of the funds herein
17 appropriated shall be used to pay the salaries or expenses
18 of any regional information employees or any State infor-
19 mation employees, but this shall not preclude the answer-
20 ing of inquiries or supplying of information at the county
21 level to individual farmers: *Provided further*, That such
22 amounts shall be available for administrative expenses in
23 connection with the formulation and administration of the
24 1959 program of soil-building and soil- and water-conserving
25 practices, under the Act of February 29, 1936, as amended

1 (amounting to \$250,000,000, including administration, and
2 no participant shall receive more than \$2,500, except where
3 the participants from two or more farms or ranches join to
4 carry out approved practices designed to conserve or improve
5 the agricultural resources of the community) : *Provided*
6 *further, That no change shall be made in such 1959 program*
7 *which will have the effect, in any county, of restricting eligi-*
8 *bility requirements or cost-sharing on practices included in the*
9 *1958 program, unless such change shall have been recommended*
10 *by the county committee and approved by the State committee:*
11 *Provided further, That not to exceed 5 per centum of the alloca-*
12 *tion for the 1959 agricultural conservation program for any*
13 *county may, on the recommendation of such county com-*
14 *mittee and approval of the State committee, be withheld*
15 *and allotted to the Soil Conservation Service for services of*
16 *its technicians in formulating and carrying out the agricul-*
17 *tural conservation program in the participating counties,*
18 *and shall not be utilized by the Soil Conservation Service*
19 *for any purpose other than technical and other assistance in*
20 *such counties, and in addition, on the recommendation of*
21 *such county committee and approval of the State commit-*
22 *tee, not to exceed 1 per centum may be made available to*
23 *any other Federal, State, or local public agency for the*
24 *same purpose and under the same conditions: Provided*

1 *further*, That for the 1959 program \$2,500,000 shall be
2 available for technical assistance in formulating and carry-
3 ing out agricultural conservation practices and \$1,000,000
4 shall be available for conservation practices related di-
5 rectly to flood prevention work in approved watersheds:
6 *Provided further*, That such amounts shall be available
7 for the purchase of seeds, fertilizers, lime, trees, or any
8 other farming material, or any soil-terracing services, and
9 making grants thereof to agricultural producers to aid
10 them in carrying out farming practices approved by the
11 Secretary under programs provided for herein: *Provided*
12 *further*, That no part of any funds available to the De-
13 partment, or any bureau, office, corporation, or other
14 agency constituting a part of such Department, shall be
15 used in the current fiscal year for the payment of salary or
16 travel expenses of any person who has been convicted of
17 violating the Act entitled "An Act to prevent pernicious
18 political activities", approved August 2, 1939, as amended,
19 or who has been found in accordance with the provisions
20 of title 18, United States Code, section 1913, to have vio-
21 lated or attempted to violate such section which prohibits
22 the use of Federal appropriations for the payment of per-
23 sonal services or other expenses designed to influence in
24 any manner a Member of Congress to favor or oppose any

1 legislation or appropriation by Congress except upon re-
2 quest of any Member or through the proper official
3 channels.

4 AGRICULTURAL MARKETING SERVICE

5 MARKETING RESEARCH AND SERVICE

6 For expenses necessary to carry on research and service
7 to improve and develop marketing and distribution relating
8 to agriculture as authorized by the Agricultural Marketing
9 Act of 1946 (7 U. S. C. 1621-1627) and other laws,
10 including the administration of marketing regulatory acts
11 connected therewith: *Provided*, That appropriations here-
12 under shall be available pursuant to 5 U. S. C. 565a for
13 the construction, alteration, and repair of buildings and im-
14 provements, but unless otherwise provided, the cost of
15 erecting any one building shall not exceed \$10,000, except
16 for two buildings to be constructed or improved at a cost
17 not to exceed \$20,000 each, and the cost of altering any one
18 building during the fiscal year shall not exceed \$3,750 or 3
19 per centum of the cost of the building, whichever is greater:

20 Marketing research and agricultural estimates: For re-
21 search and development relating to agricultural marketing
22 and distribution, for analyses relating to farm prices, income
23 and population, and demand for farm products, and for crop

1 and livestock estimates, ~~\$14,095,000~~ \$14,287,000: *Pro-*
2 *vided*, That not less than \$350,000 of the funds contained in
3 this appropriation shall be available to continue to gather
4 statistics and conduct a special study on the price spread
5 between the farmer and the consumer: *Provided further*,
6 That no part of the funds herein appropriated shall be avail-
7 able for any expense incident to ascertaining, collating, or
8 publishing a report stating the intention of farmers as to the
9 acreage to be planted in cotton, or for estimates of apple
10 production for other than the commercial crop;

11 Marketing services: For services relating to agricultural
12 marketing and distribution, for carrying out regulatory acts
13 connected therewith, and for administration and coordination
14 of payments to States, ~~\$14,097,000~~ \$21,272,000, including
15 not to exceed \$25,000 for employment at rates not to exceed
16 \$50 per diem, except for employment in rate cases at not
17 to exceed \$100 per diem pursuant to the second sentence
18 of section 706 (a) of the Organic Act of 1944 (5 U. S. C.
19 574), as amended by section 15 of the Act of August 2,
20 1946 (5 U. S. C. 55a), in carrying out section 201 (a)
21 to 201 (d), inclusive, of title II of the Agricultural Adjust-
22 ment Act of 1938 (7 U. S. C. 1291) and section 203 (j) of
23 the Agricultural Marketing Act of 1946.

1 PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS

2 For payments to departments of agriculture, bureaus
3 and departments of markets, and similar agencies for market-
4 ing activities under section 204 (b) of the Agricultural
5 Marketing Act of 1946 (7 U. S. C. 1623 (b)), \$1,160,000.

6 SCHOOL LUNCH PROGRAM

7 For necessary expenses to carry out the provisions of
8 the National School Lunch Act (42 U. S. C. 1751-1760) ,
9 ~~\$100,000,000~~ \$125,000,000: *Provided*, That no part of this
10 appropriation shall be used for nonfood assistance under sec-
11 tion 5 of said Act: ~~*Provided further*, That \$55,000,000~~
12 shall be transferred to this appropriation from funds avail-
13 able under section 32 of the Act of August 24, 1935, for
14 purchase and distribution of agricultural commodities and
15 other foods pursuant to section 6 of the National School
16 Lunch Act, such additional funds to be used for the general
17 purposes of section 32.

18 FOREIGN AGRICULTURAL SERVICE

19 SALARIES AND EXPENSES

20 For necessary expenses for the Foreign Agricultural
21 Service, including carrying out title VI of the Agricultural
22 Act of 1954 (7 U. S. C. 1761-1768) , and for enabling
23 the Secretary to coordinate and integrate activities of the
24 Department in connection with foreign agricultural work,
25 including not to exceed \$25,000 for representation allow-

ances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U. S. C. 1766), \$4,002,300: *Provided*, That not less than \$400,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

COMMODITY EXCHANGE AUTHORITY

SALARIES AND EXPENSES

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U. S. C. 1-17a), \$832,000.

SOIL BANK PROGRAMS

CONSERVATION RESERVE PROGRAM

For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U. S. C. 1831-1837 and 1802-1814), ~~\$250,000,000~~ \$200,000,000: *Provided*, That not to exceed ~~\$15,000,000~~ \$17,000,000 shall be available for administrative expenses of which not less than ~~\$12,000,000~~ \$13,500,000 may be transferred to the appropriation account "Local administration, section 388, Agricultural Adjustment Act of 1938": *Provided further*, That no part of this appropriation shall be used to enter into contracts with producers

1 which together with contracts already entered into would
 2 require payments to producers (including the cost of mate-
 3 rials and services) in excess of ~~\$300,000,000~~ \$450,000,000
 4 in any calendar year, and for purposes of applying this
 5 limitation, practice payments shall be chargeable to the first
 6 year of the contract period: *Provided further*, That no part
 7 of these funds shall be paid on any contract which is illegal
 8 under the law due to the division of lands for the purpose
 9 of evading limits on annual payments to participants: ~~*Pro-*~~
 10 ~~*vided further*~~, That no part of these funds shall be paid on
 11 any contract where payments are made for land rental at
 12 rates in excess of 20 per centum of the current value of the
 13 land rented or where payments are made for conservation
 14 practices in excess of the average rate for comparable prac-
 15 tices under the agricultural conservation program: *Provided*
 16 *further*, That in determining the amount of rental payments
 17 the Secretary shall give due consideration to the value of the
 18 land and the rental value thereof.

19 ACREAGE RESERVE PROGRAM

20 For necessary expenses to carry out an acreage reserve
 21 program in accordance with the provisions of subtitles A
 22 and C of the Soil Bank Act (7 U. S. C. 1821-1824 and
 23 1802-1814), \$330,000,000: *Provided*, That not to exceed

1 \$13,000,000 of the total sum provided under this head shall
2 be available for administrative expenses: *Provided further,*
3 That no part of this appropriation shall be used to formulate
4 and administer an acreage reserve program with respect to
5 the 1959 crops.

6 COMMODITY STABILIZATION SERVICE

7 ACREAGE ALLOTMENTS AND MARKETING QUOTAS

8 For necessary expenses to formulate and carry out acre-
9 age allotment and marketing quota programs pursuant to
10 provisions of title III of the Agricultural Adjustment Act of
11 1938, as amended (7 U. S. C. 1301-1393), \$39,715,000,
12 of which not more than \$6,380,100 shall be transferred to
13 the appropriation account "Administrative expenses, section
14 392, Agricultural Adjustment Act of 1938".

15 SUGAR ACT PROGRAM

16 For necessary expenses to carry into effect the provisions
17 of the Sugar Act of 1948 (7 U. S. C. 1101-1161),
18 ~~\$71,000,000~~ \$76,000,000, to remain available until June 30
19 of the next succeeding fiscal year: *Provided,* That expendi-
20 tures (including transfers) from this appropriation for other
21 than payments to sugar producers shall not exceed
22 \$2,124,500.

1 FEDERAL CROP INSURANCE CORPORATION

2 OPERATING AND ADMINISTRATIVE EXPENSES

3 For operating and administrative expenses, \$6,376,700.

4 RURAL ELECTRIFICATION ADMINISTRATION

5 To carry into effect the provisions of the Rural Elec-
6 trification Act of 1936, as amended (7 U. S. C. 901-924),
7 as follows:

8 LOAN AUTHORIZATIONS

9 For loans in accordance with said Act, and for carrying
10 out the provisions of section 7 thereof, to be borrowed from
11 the Secretary of the Treasury in accordance with the pro-
12 visions of section 3 (a) of said Act as follows: Rural elec-
13 trification program, ~~\$300,000,000~~ \$317,000,000; and rural
14 telephone program, ~~\$60,000,000~~ \$67,500,000; and addi-
15 tional amounts, not to exceed \$25,000,000 for each program,
16 may be borrowed under the same terms and conditions to
17 the extent that such amount is required during the fiscal year
18 1959 under the then existing conditions for the expeditious
19 and orderly development of the rural electrification program
20 and rural telephone program.

21 SALARIES AND EXPENSES

22 For administrative expenses, including not to exceed \$500
23 for financial and credit reports, and not to exceed \$150,000
24 for employment pursuant to the second sentence of section
25 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as

1 amended by section 15 of the Act of August 2, 1946 (5
2 U. S. C. 55a), \$9,019,000.

3 FARMERS' HOME ADMINISTRATION

4 To carry into effect the provisions of titles I, II, and
5 the related provisions of title IV of the Bankhead-Jones
6 Farm Tenant Act, as amended (7 U. S. C. 1000-1031);
7 the Farmers' Home Administration Act of 1946 (7 U. S. C.
8 1001, note; 31 U. S. C. 82h; 12 U. S. C. 371; 35 D. C.
9 Code 535; 60 Stat. 1062-1080); the Act of July 30, 1946
10 (40 U. S. C. 436-439); the Act of August 28, 1937, as
11 amended (16 U. S. C. 590r-590x-3), for the develop-
12 ment of facilities for water storage and utilization in the
13 arid and semiarid areas of the United States; the provisions
14 of title V of the Housing Act of 1949, as amended (42
15 U. S. C. 1471-1483), relating to financial assistance for
16 farm housing; the Rural Rehabilitation Corporation Trust
17 Liquidation Act, approved May 3, 1950 (40 U. S. C.
18 440-444); the items "Loans to farmers, 1948 flood damage"
19 in the Act of June 25, 1948 (62 Stat. 1038), and "Loans
20 to farmers, property damage" in the Act of May 24, 1949
21 (63 Stat. 82); the collecting and servicing of credit sales
22 and development accounts in water conservation and utili-
23 zation projects (53 Stat. 685, 719), as amended and sup-
24 plemented (16 U. S. C. 590y, z-1 and z-10); and the
25 Act to direct the Secretary of Agriculture to convey certain

1 mineral interests, approved September 6, 1950 (7 U. S. C.
2 1033-1039), as follows:

3 LOAN AUTHORIZATIONS

4 For loans (including payments in lieu of taxes and taxes
5 under section 50 of the Bankhead-Jones Farm Tenant Act,
6 as amended, and advances incident to the acquisition and
7 preservation of security of obligations under the foregoing
8 several authorities, except that such advances under title V
9 of the Housing Act of 1949, as amended, shall be made
10 from funds obtained under section 511 of that Act, as
11 amended): Title I and section 43 of title IV of the Bank-
12 head-Jones Farm Tenant Act, as amended, \$24,000,000,
13 of which not to exceed \$2,500,000 may be distributed to
14 States and Territories without regard to farm population
15 and prevalence of tenancy, in addition to the amount other-
16 wise distributed thereto, for loans in reclamation projects and
17 to entrymen on unpatented public land; title II of the Bank-
18 head-Jones Farm Tenant Act, as amended, \$180,000,000;
19 the Act of August 28, 1937, as amended, \$5,500,000:
20 *Provided*, That not to exceed the foregoing several amounts
21 shall be borrowed in one account from the Secretary of the
22 Treasury in accordance with the provisions set forth under
23 this head in the Department of Agriculture Appropriation

1 Act, 1952: *Provided further, That an additional amount, not*
2 *to exceed \$20,000,000, may be borrowed under the same*
3 *terms and conditions to the extent that such amount is re-*
4 *quired during fiscal year 1959 under the then existing con-*
5 *ditions for the expeditious and orderly conduct of the loan*
6 *program under title II of the Bankhead-Jones Farm Tenant*
7 *Act, as amended: Provided further, That additional amounts,*
8 *not to exceed \$20,000,000, may be borrowed under the same*
9 *terms and conditions to the extent that such additional amounts*
10 *are required during the fiscal year 1959, under the then exist-*
11 *ing conditions, for the expeditious and orderly conduct of*
12 *these programs.*

13 SALARIES AND EXPENSES

14 For making, servicing, and collecting loans and insured
15 mortgages, the servicing and collecting of loans made under
16 prior authority, the liquidation of assets transferred to
17 Farmers' Home Administration, and other administrative
18 expenses, \$29,089,500, together with a transfer of not to
19 exceed \$1,000,000 of the fees and administrative expense
20 charges made available by subsections (d) and (e) of
21 section 12 of the Bankhead-Jones Farm Tenant Act, as
22 amended (7 U. S. C. 1005 (b)), and section 10 (c) of
23 the Act of August 28, 1937, as amended.

1 OFFICE OF THE GENERAL COUNSEL

2 SALARIES AND EXPENSES

3 For necessary expenses, including payment of fees or
4 dues for the use of law libraries by attorneys in the field
5 service, ~~\$2,943,000~~ \$3,043,000.

6 OFFICE OF THE SECRETARY

7 SALARIES AND EXPENSES

8 For expenses of the Office of the Secretary of Agricul-
9 ture; expenses of the National Agricultural Advisory Com-
10 mission; stationery, supplies, materials, and equipment;
11 freight, express, and drayage charges; advertising of bids,
12 communication service, postage, washing towels, repairs and
13 alterations, and other miscellaneous supplies and expenses
14 not otherwise provided for and necessary for the practical
15 and efficient work of the Department of Agriculture; \$2,-
16 668,895: *Provided*, That this appropriation shall be re-
17 imbursed from applicable appropriations for travel expenses
18 incident to the holding of hearings as required by the Ad-
19 ministrative Procedure Act (5 U. S. C. 1001).

20 OFFICE OF INFORMATION

21 SALARIES AND EXPENSES

22 For necessary expenses of the Office of Information for
23 the dissemination of agricultural information and the co-
24 ordination of informational work and programs authorized
25 by Congress in the Department, \$1,359,265, of which total

1 appropriation not to exceed \$537,000 may be used for
2 farmers' bulletins, which shall be adapted to the interests
3 of the people of the different sections of the country, an
4 equal proportion of four-fifths of which shall be delivered
5 to or sent out under the addressed franks furnished by the
6 Senators, Representatives, and Delegates in Congress, as
7 they shall direct (7 U. S. C. 417) and not less than two
8 hundred thirty thousand eight hundred and fifty copies for
9 the use of the Senate and House of Representatives of part
10 2 of the annual report of the Secretary (known as the Year-
11 book of Agriculture) as authorized by section 73 of the Act
12 of January 12, 1895 (44 U. S. C. 241) : *Provided*, That
13 in the preparation of motion pictures or exhibits by the
14 Department, not exceeding a total of \$10,000 may be used
15 for employment pursuant to the second sentence of section
16 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as
17 amended by section 15 of the Act of August 2, 1946 (5
18 U. S. C. 55a).

LIBRARY

SALARIES AND EXPENSES

21 For necessary expenses, including dues for library mem-
22 bership in societies or associations which issue publications
23 to members only or at a price to members lower than to
24 subscribers who are not members, \$772,000.

1 TITLE II—CORPORATIONS

2 The following corporations and agencies are hereby
3 authorized to make such expenditures, within the limits of
4 funds and borrowing authority available to each such cor-
5 poration or agency and in accord with law, and to make
6 such contracts and commitments without regard to fiscal
7 year limitations as provided by section 104 of the Govern-
8 ment Corporation Control Act, as amended, as may be nec-
9 essary in carrying out the programs set forth in the budget
10 for the fiscal year 1959 for such corporation or agency,
11 except as hereinafter provided:

12 FEDERAL CROP INSURANCE CORPORATION FUND

13 Not to exceed \$2,000,000 of administrative and
14 operating expenses may be paid from premium income.

15 COMMODITY CREDIT CORPORATION

16 RESTORATION OF CAPITAL IMPAIRMENT

17 To restore the capital impairment of the Commodity
18 Credit Corporation determined by the appraisal of June 30,
19 1957, pursuant to section 1 of the Act of March 8, 1938,
20 as amended (15 U. S. C. 713a-1), \$1,760,399,886.

21 LIMITATION ON ADMINISTRATIVE EXPENSES

22 Nothing in this Act shall be so construed as to prevent
23 the Commodity Credit Corporation from carrying out any
24 activity or any program authorized by law: *Provided, That*

1 not to exceed \$35,398,000 shall be available for adminis-
2 trative expenses of the Corporation: *Provided further*, That
3 \$1,000,000 of this authorization shall be available only to
4 expand and strengthen the sales program of the Corpora-
5 tion pursuant to authority contained in the Corporation's
6 charter: *Provided further*, That not less than 7 per centum
7 of this authorization shall be placed in reserve to be appor-
8 tioned pursuant to section 3679 of the Revised Statutes,
9 as amended, for use only in such amounts and at such time
10 as may become necessary to carry out program operations:
11 *Provided further*, That all necessary expenses (including
12 legal and special services performed on a contract or fee
13 basis, but not including other personal services) in connec-
14 tion with the acquisition, operation, maintenance, improve-
15 ment, or disposition of any real or personal property be-
16 longing to the Corporation or in which it has an interest,
17 including expenses of collections of pledged collateral, shall
18 be considered as nonadministrative expenses for the purposes
19 hereof.

20 TITLE III—RELATED AGENCIES

21 FARM CREDIT ADMINISTRATION

22 Not to exceed \$2,125,000 (from assessments collected
23 from farm credit agencies) shall be obligated during the
24 current fiscal year for administrative expenses.

1 FEDERAL FARM MORTGAGE CORPORATION

2 The Federal Farm Mortgage Corporation is authorized
3 to make such expenditures, within available funds and in
4 accordance with law, as may be necessary to liquidate its
5 assets: *Provided*, That funds realized from the liquidation
6 of assets which are determined by the Board of Directors
7 to be in excess of the requirements for expenses of liquida-
8 tion shall be declared as dividends which shall be paid into
9 the general fund of the Treasury.

10 FEDERAL INTERMEDIATE CREDIT BANKS

11 Not to exceed \$1,693,000 (to be computed on an
12 accrual basis) of the funds of the banks shall be available
13 for administrative expenses for the six months ending De-
14 cember 31, 1958, including the purchase of not to exceed
15 one passenger motor vehicle for replacement only and serv-
16 ices performed for the banks by other Government agencies
17 (except services and facilities furnished and examinations
18 made by the Farm Credit Administration, and services per-
19 formed by any Federal Reserve bank and by the United
20 States Treasury in connection with the financial transactions
21 of the banks); and said total sum shall be exclusive of
22 interest expense, legal and special services performed on a
23 contract or fee basis, and expenses in connection with the
24 acquisition, operation, maintenance, improvement, protection,

1 or disposition of real or personal property belonging to the
2 banks or in which they have an interest.

3 TITLE IV—GENERAL PROVISIONS

4 SEC. 401. Within the unit limit of cost fixed by law,
5 appropriations and authorizations made for the Department
6 under this Act shall be available for the purchase, in addi-
7 tion to those specifically provided for, of not to exceed
8 466 passenger motor vehicles of which 462 shall be for re-
9 placement only, and for the hire of such vehicles.

10 SEC. 402. Provisions of law prohibiting or restricting
11 the employment of aliens shall not apply to employment
12 under the appropriation for the Foreign Agricultural Service.

13 SEC. 403. Funds available to the Department of Agri-
14 culture shall be available for uniforms or allowances therefor
15 as authorized by the Act of September 1, 1954, as amended
16 (5 U. S. C. 2131).

17 SEC. 404. No part of the funds appropriated by this
18 Act shall be used for the payment of any officer or em-
19 ployee of the Department who, as such officer or employee,
20 or on behalf of the Department or any division, commission,
21 or bureau thereof, issues, or causes to be issued, any predic-
22 tion, oral or written, or forecast, except as to damage
23 threatened or caused by insects and pests, with respect to
24 future prices of cotton or the trend of same.

1 SEC. 405. Except to provide materials required in or
2 incident to research or experimental work where no suitable
3 domestic product is available, no part of the funds appro-
4 priated by this Act shall be expended in the purchase of
5 twine manufactured from commodities or materials produced
6 outside of the United States.

7 SEC. 406. Not less than \$1,500,000 of the appropria-
8 tions of the Department for research and service work au-
9 thorized by the Acts of August 14, 1946, and July 28, 1954
10 (7 U. S. C. 427, 1621-1629), shall be available for con-
11 tracting in accordance with said Acts.

SEC. 407. No part of any appropriation contained in this Act or of the funds available for expenditure by any corporation or agency included in this Act shall be used for publicity or propaganda purposes to support or defeat legislation pending before the Congress.

This Act may be cited as the “Department of Agriculture and Farm Credit Administration Appropriation Act, 1959”.

Passed the House of Representatives April 1, 1958.

Attest:

RALPH R. ROBERTS,
Clerk.

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes.

APRIL 2, 1958

Read twice and referred to the Committee on Appropriations

APRIL 18, 1958

Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued April 22, 1958
For actions of April 21, 1958
85th-2d, No. 60

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SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1959. Passed as reported this bill, H. R. 11767. pp. 6089-95, 6097-6101

The Appropriations Committee had reported this bill with amendments on April 18 (under Senate order of April 17) (S. Rept. 1438). p. 6017

Representatives of the Department agencies have been advised in detail of the Committee's actions on the estimates for the Department. Copies of the bill and committee report will be distributed directly to the agency budget offices, as soon as received, pursuant to a distribution list that has been worked out with the Department agencies. The agencies will receive the material at the same time this office will receive it. The material will not be distributed from this office. In general, copies should be obtained from the agency budget offices rather than from this office.

At the end of this Digest are a comparison of the Committee actions and excerpts from the committee report.

In presenting the bill Sen. Russell clarified the Committee's position regarding export subsidy programs. In brief, the Senator stated the Committee's action should not be construed as approval of the House Appropriations Committee Report. He said the Senate Committee made no recommendation since it believed this properly to be within the jurisdiction of the legislative committees. pp. 6091-92

Senate conferees were appointed on the bill. p. 6101

2. PURCHASING. Passed without amendment H. J. Res. 588, to provide immediate appropriations to Government civilian agencies of up to 50% of the amounts set forth in the Budget estimates for 1959 for the objects "Supplies and Materials" and "Equipment" in order to accelerate planned procurement programs. This measure will now be sent to the President. pp. 6081-85
3. WOOL. The Agriculture Committee reported with amendment S. 2861, to extend for 4 years additional the National Wool Act (S. Rept. 1460). p. 6024
4. PACKERS. The Agriculture and Forestry Committee ordered reported with an amendment in the nature of a substitute S. 1356, to transfer certain functions under the Packers and Stockyards Act from this Department to FTC. The "Daily Digest" states that "as approved by the committee the bill would contain language providing concurrent jurisdiction for a period of 3 years of the FTC and Department of Agriculture over wholesaling and retailing of meat and meat products." p. D324
Sen. Holland stated that the bill will be reported by the Committee Tues., Apr. 22. pp. 6096-97
Sen. Watkins inserted the testimony of the Chairman of the Federal Trade Commission before the Jt. Judiciary and Agriculture and Forestry Committees in favor of the enactment of S. 1356. pp. 6108-09
5. FARM PROGRAM. Sen. Knowland inserted the Secretary's letter to him setting forth certain facts regarding the agricultural situation for the use of Congress in considering agricultural legislation. pp. 6040-41
6. COMMITTEE ASSIGNMENTS. Sen. Proxmire was excused from further service as a member of the Post Office and Civil Service Committee and assigned to the Agriculture and Forestry Committee. pp. 6017-18
7. SOIL BANK. Sen. Nueberger expressed concern over "the 67 farm producers who last year received more than \$50,000 apiece in Soil-Bank payments through the acreage reserve program," and inserted a list of producers who received more than \$50,000 under the 1957 acreage-reserve program. pp. 6068-69
8. SCHOOL LUNCH. Received from the Calif. Legislature a resolution favoring increased appropriations for the school lunch program. p. 6020
9. PERSONNEL. The Foreign Relations Committee reported without amendment S. 3195, to authorize certain retired personnel of the U. S. Government to accept and wear decorations, presents, and other gifts from certain foreign countries. (S. Rept. 1439). p. 6023
10. ELECTRIFICATION. Sens. Thye and Humphrey inserted a resolution from the Kandiyohi Cooperative Electric Power Assoc., Willmar, Minn., criticizing "the movement to attach higher interest rates for the borrowing of money" by REA coops. pp. 6021, 6023

Senate Bill, 1959, Compared with House Bill, 1959

[Amounts for 1958 include all supplemental appropriations to date; Budget Estimates, 1959, contain Budget Amendments included in H. Doc. 351.]

Agency or Item	Appropriations: or Loan Authorizations, 1958	Budget Estimates, 1959	House Bill, 1959	Senate Committee Bill, 1959	Increase(+) or Decrease (-), :Sen. Com. Bill :Compared with :House Bill, 1959
ANNUAL APPROPRIATIONS FOR REGULAR ACTIVITIES:					
Agricultural Research Service:					
Research	\$57,801,140:	\$60,744,890:	\$58,444,890:	\$59,362,390:	÷\$917,500
Plant and animal disease and pest control ..	30,082,000:	42,132,000:	41,732,000:	47,132,000:	÷5,400,000
Meat inspection	16,326,000:	17,326,000: <u>a/</u>	24,326,000:	17,326,000:	-7,000,000
State Experiment Stations (principally payments to States)	30,603,708:	30,603,708:	30,603,708:	31,803,708:	÷1,200,000
Extension Service (principally payments to States)	60,235,540:	60,159,395:	60,159,395:	63,159,395:	÷3,000,000
Soil Conservation Service	121,615,000:	124,615,000:	128,615,000:	128,615,000:	-
Agricultural Conservation Program Service ...	232,000,000:	235,000,000: <u>b/</u>	235,000,000: <u>b/</u>	235,000,000:	-
Agricultural Marketing Service:					
Marketing research and service, and payments to States	30,351,600:	36,452,000: <u>a/</u>	29,352,000:	35,719,000:	÷7,367,000
School lunch program	100,000,000:	100,000,000: <u>c/</u>	100,000,000: <u>c/</u>	125,000,000:	÷25,000,000
Foreign Agricultural Service	4,002,300:	4,002,300:	4,002,300:	4,002,300:	-
Soil Bank Programs:					
Conservation reserve	162,940,000:	350,000,000: <u>d/</u>	250,000,000: <u>d/</u>	200,000,000:	-50,000,000
Acreage reserve	500,250,000:	330,000,000:	330,000,000:	330,000,000:	-
Commodity Stabilization Service:					
Acreage allotments and marketing quotas ..	40,715,000:	39,715,000:	39,715,000:	39,715,000:	-
Sugar Act program	57,662,500:	76,000,000:	71,000,000:	76,000,000:	÷5,000,000
Federal Crop Insurance Corporation:					
Operating and administrative expenses	6,376,700:	6,376,700:	6,376,700:	6,376,700:	-
Rural Electrification Administration (Salaries and expenses)	9,030,950:	9,019,000:	9,019,000:	9,019,000:	-
Farmers' Home Administration (Salaries and expenses)	29,089,500:	29,089,500:	29,089,500:	29,089,500:	-
All other	9,153,160:	9,253,160:	9,153,160:	9,253,160:	÷100,000
Total, Annual Approp. for Regular Activities ..	1,609,235,090:	1,560,488,653: <u>1</u>	1,456,588,653: <u>1</u>	1,447,573,153:	-9,015,500

Agency or Item	Appropriations: or Loan Authorizations, 1958	Budget Estimates, 1959	House Bill, 1959	Senate Committee Bill, 1959	Increase(+) or Decrease (-), :Sen. Com. Bill :Compared with :House Bill, 1959
RESTORATION OF CAPITAL IMPAIRMENT, COMMODITY CREDIT CORPORATION	1,239,788,671	1,760,399,886	1,760,399,886	1,750,399,886	-
CORPORATE ADMINISTRATIVE EXPENSE LIMITATION, COMMODITY CREDIT CORPORATION	35,398,000	36,100,000	35,398,000	35,398,000	-
PERMANENT APPROPRIATIONS:					
Removal of surplus agricultural commodities, (30 percent of customs receipts)	220,878,158	232,500,000	232,500,000	232,500,000	-
National Wool Act	29,671,679	30,000,000	30,000,000	30,000,000	-
All other permanent appropriations	562,000	679,600	679,600	679,600	-
Total, Permanent Appropriations	251,211,837	263,179,600	263,179,600	263,179,600	-
LOAN AUTHORIZATIONS:					
Rural Electrification Administration loans:					
Rural electrification	e/ 179,000,000	f/150,000,000	g/300,000,000	g/317,000,000	+17,000,000
Rural telephone	h/ 60,000,000	i/ 56,000,000	g/ 60,000,000	g/ 67,500,000	+7,500,000
Total, Rural Electrification Admin- istration	239,000,000	206,000,000	360,000,000	384,500,000	+24,500,000
Farmers' Home Administration loans:					
Farm ownership	24,000,000		24,000,000	24,000,000	-
Farm operating (Production and subsistence)	130,000,000	175,000,000	j/180,000,000	180,000,000	-
Soil and water conservation	5,500,000		5,500,000	5,500,000	-
Total, Farmers' Home Administration	209,500,000	175,000,000	209,500,000	j/209,500,000	-
Total, Loan Authorizations	448,500,000	381,000,000	569,500,000	594,000,000	+24,500,000

a/ House Bill proposed transfer of \$7,000,000 from the Agricultural Marketing Service to the Agricultural Research Service for administering the mandatory poultry inspection program; Senate Committee Bill restores Budget Estimate.

b/ Includes advance authorization of \$250,000,000 for the 1959 program, an increase of \$125,000,000 over the advance authorization proposed in the Budget Estimates.

- c/ In addition, House Bill provided that \$55,000,000 shall be transferred from Section 32 funds for purchases of agricultural commodities for distribution to schools; Senate Committee Bill deletes this provision.
- d/ House Bill included provision limiting payments to producers in any calendar year to not to exceed \$300,000,000, a decrease of \$150,000,000 from the Budget Estimates; Senate Committee Bill restored Budget Estimate for authorization of \$450,000,000.
- e/ Includes a reserve authorization of \$20,000,000. Including carryover of funds from prior years, it is estimated that loans totaling \$280,000,000 will be made in 1958.
- f/ Including carryover of funds from prior years, it is estimated that loans totaling \$175,000,000 will be made in 1959.
- g/ In addition, contingency fund of \$25,000,000 is authorized.
- h/ Includes a reserve authorization of \$10,000,000. Including carryover of funds from prior years, it is estimated that loans totaling \$93,000,000 will be made in 1958.
- i/ It is estimated that loans totaling \$57,100,000 will be made in 1959.
- j/ In addition, House Bill provides contingency fund of \$20,000,000 for farm operating loans; Senate Committee Bill deletes this provision and substitutes \$20,000,000 contingency fund to be available for all programs.

EXCERPTS FROM THE SENATE COMMITTEE REPORT ON THE DEPARTMENT OF
AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1959

Allocating and Reporting of Agricultural Expenditures

"The committee does not feel that the Department performs an adequate job of allocating and reporting on program expenditures. This is particularly the case in regard to price-support and foreign aid programs administered by the Department. Other large amounts should be classified and reported as consumer benefits

The committee requests the Secretary to restudy this matter and report his findings and recommendations to the committee early in the next session of the Congress."

Agricultural Conservation Program

"The committee concurs in the House committee's commendation of the county committee system, and again desires to express its opposition to any program which would, in effect, weaken that system. The three programs so administered (agricultural conservation payments, the Great Plains program, and the conservation reserve program of the soil bank) are outgrowths of legislative provisions designed to reduce production of surplus price-supported crops. Under no circumstances should the functions of these three programs be combined, either for purposes of administration or for other reasons, with Department programs directed primarily at permanent or long-term soil conservation, unless specifically authorized by Congress."

Cotton and Other Export Subsidy Programs

"The House committee report expressed views and made recommendations on program policy and operations which the committee feels may be within the jurisdiction of the standing Committees on Agriculture and Forestry.

The departmental officials were not examined by this committee with regard to the recommendations in the House report. Officials of the Department of Agriculture have provided members of the committee with the Department's reaction and views on some of these items, and these statements are printed in this report solely for the information of the Senate. The statements referred to follow:

The report of the House Committee on Appropriations on the Department of Agriculture and Farm Credit Administration appropriation bill, 1959 (Rep. No. 1584, March 28, 1958), contains the following statements with particular reference to cotton.

Page 9: "The committee therefore insists * * * that the sales program on a competitive bid basis--with exports through normal trade channels--be continued, whatever additional programs may be used to complement such program."

Page 10: "* * * any reclassing which should be in order in the future should be made in advance of sale so as to avoid payment of rebates."

Page 10: "To make cotton now under loan and in CCC hands available for export at the earliest possible date, the Department is directed to catalog, prior to July 31, 1958, all cotton now in its hands."

"In summary, these comments indicate it to be the sense of the Congress that the Department should continue to operate a competitive bid sales for export program along with the export subsidy-in-kind program announced by the President in his veto message on Senate Joint Resolution 162 on March 31, 1958, should reclass cotton before sale rather than after sale, and should catalog all cotton now under CCC loan or owned by CCC prior to July 31, 1958.

Export program

"The President's announcement on March 31, 1958, that there would be placed in effect an export program for cotton (and also for corn and other feed grains) similar to the present export program on wheat, means that the Department of Agriculture is directed to place in effect a program providing that export subsidies on cotton (and corn and other feed grains) will be paid in kind rather than in cash. To make such a program effective, it is necessary that CCC have an inventory of cotton from which to make payments in kind. The Corporation now has available for sale only about $1\frac{1}{2}$ million bales of cotton and it holds outstanding loans on approximately 3 million bales. Between now and August 1, 1958, the beginning of the next marketing season, it is anticipated that some of the cotton on hand will be sold, and that there will be substantial quantities of loan cotton redeemed. This will not leave enough cotton to operate a competitive sales for export program in the next marketing year in such a manner as will assure the ability of United States cotton exporters to obtain their fair share of the world markets. It was for this reason among others that the export subsidy program was ordered by the President.

While a dual program, that is, a competitive bid sales for export program combined with an export subsidy program, could physically be operated it would have several serious disadvantages and is not recommended. It would be confusing to the trade and would be expensive to administer. Further, it would not accomplish one of the major benefits which has resulted from the operation of the subsidy-in-kind export program for wheat, and that is, the elimination of Government sales as a factor in the market. The subsidy-in-kind program places the full market in the hands of commercial traders and moves the commodity direct from the commercial markets to the export trade without running it through CCC hands. Farmers should thereby obtain broader markets and substantial price benefits. The subsidy-in-kind program directed by the President also will permit resumption of the normal operations of the established cotton futures markets which have been severely damaged in recent years by the concentration of cotton sales activity in the hands of the Government.

If a dual program were inaugurated, and then all CCC cotton were disposed of, it would not be possible to continue a subsidy-in-kind export program as directed by the President. A change in the program would result in further confusion both in administration and in the markets.

Reclassing

If the sales program were continued, it would not be desirable to attempt to reclass cotton before sales. There is no way to determine what cotton in CCC inventory would be purchased by exporters at any given time. Cotton merchants have a right to expect cotton they buy

to be of the quality it was advertised to be at the time of their purchase. The task of reclassing all cotton in CCC inventory would be so great that there would be no assurance that the reclassification would be any more satisfactory to the purchaser than the original classification because of the time element involved. Even if the cotton could be reclassified immediately prior to the sale, there is no reason to believe that either the classification or the price received by CCC would be different than if the cotton were reclassified as is currently done under the program.

Catalog

It would not be appropriate to catalog the cotton until the loans mature. To do otherwise would practically preclude producers from taking advantage of the strengthening cotton market by redeeming their loans. This result would be the same whether or not the loans were called in advance of maturity. The Department should not, and does not plan to call these loans prior to maturity. (It has never been done in the case of cotton, though legally possible.) Loans are still available to producers through April 30 and if the loans were to be called in time to have the cotton cataloged by July 31, 1958, they would have to be called as of May 31. This would deprive producers of the opportunity in June and July to redeem their loans in a year in which it appears cotton prices might make redemption profitable to them.

From the standpoint of administration, it is practically a necessity that CCC take title to the cotton before a catalog is issued. This is because the individual loan documents (notes, loan agreements, and warehouse receipts) are maintained in the custody of Federal Reserve banks or cooperative associations in the cotton-producing areas throughout the United States. This policy has been followed for years so as to make producers' paper more accessible to them in the event they wish to redeem their cotton. If a catalog were to be made of cotton in loan status, it would be necessary to concentrate all of this paper on 3 million bales of cotton in the New Orleans Commodity Office. This would make it practically impossible for the loan papers of any individual producers to be located and sent to them if they wished to redeem their loans. It would create a costly administrative workload during a period in which the office is not geared up to handle it, and the eventual cost of the catalog would be considerably greater than it would be if prepared after CCC acquires title to the cotton."

Combined Competitive Bid Sales and Export Subsidy Program for Corn and Other Feed Grains

"The report of the House Appropriations Committee on the agriculture appropriation bill for 1959 argues insistently that competitive bid sales for export on not only cotton but other commodities should be continued if export subsidy programs are undertaken.

If this advice were to be followed, it would mean that the Department would have to continue to offer for sale on a competitive bid basis for export not only cotton but also corn and other feed grains while at the same time carrying out the President's direction in his veto message on Senate Joint Resolution 162 that export subsidies in kind be paid on these commodities.

Such a combination program just would not work for corn and other feed grains. CCC stocks of these grains are so large that an export subsidy would be relatively ineffective if the export trade had to compete with the Government for foreign markets. In order for this export subsidy program to work, the trade has to carry stocks which it can export. If the trade were to be faced with the huge stocks held by CCC for export, it would not know what kind of a position to take. These uncertainties would certainly add up to tremendous confusion and probably little in the way of beneficial effects.

Another point that must be considered is that supplies of corn and other feed grains in Government hands not only are large, but they are widely dispersed over the country. Moreover, they are fungible commodities. These characteristics of the commodity cause location and quality factors to be of great importance, and with the preponderance of stocks in Government hands, export traders would have little chance to compete with the CCC for export markets.

One of the major objectives for the subsidy-in-kind program directed by the President is to get the Government out of the grain business. This would not be accomplished with a dual program. Not only would the Government be both selling and paying subsidies but it would still be actively accumulating inventories. If the program works well, farm prices for these grains should be strengthened, making CCC loan operations and inventory acquisitions shrink. It will benefit both the trade and producers and should result in less Government costs of operating the price support program.

There are no better grain salesmen alive than those in the commercial export business, and they will do a good job of maintaining and creating foreign markets if the relatively simple mechanism of an export subsidy can place them in competition from a price standpoint.

The subsidy-in-kind program for wheat has worked well. There is no reason to believe it cannot work effectively on corn and other feed grains if it is permitted to do so."

Agricultural Research Service

Research

Utilization Research

"In addition to the above increases in appropriations, the budget proposed to utilize \$5,000,000 of funds available under Public Law 480 for utilization research in foreign countries. The committee approves the proposed use of these funds for research and requests that the Department report to the committee on the use of the funds and research accomplishments thereunder."

Farm Research

"The budget estimate also proposed to make certain decreases in farm production research programs amounting to \$805,000. The committee concurs in the House action to continue these activities.

Within the amount restored for the National Arboretum the committee expects the Department to proceed with the preparation of detailed plans and specifications for facilities and other improvements needed to fully develop the Arboretum. Then if a public buildings program is enacted during this session of the Congress, the development and construction work can be started promptly, or based upon new plans and specifications current estimates of development costs should be included in next year's budget.

During the hearings on this bill the committee received a number of witnesses who urged that additional funds be included to strengthen existing research programs or to cope with new problems. The committee recommends that some of these items which it considers most needed be included. The following recommended increases amount to \$917,500, and are in addition to recommendations made by the House Report on some of these projects:

- (1) \$100,000 to accelerate research on the boll weevil, in addition to the House proposal. This insect has caused extensive damage to cotton for many years. Present control programs are costly and often ineffective. The committee recommends this increase to immediately strengthen research efforts and to enable the Department to review the problems of the boll weevil. It is requested that following such review, a comprehensive research program be developed which will embody the proposed needs, including plans for necessary facilities, for research and experimental purposes.
- (2) \$75,000 for staffing the soil and water laboratory in the West which was authorized last year. The construction of this facility will be completed shortly after January 1, 1959, and with the funds provided herein the staffing of key personnel for the facility should be completed during fiscal 1959.
- (3) \$125,000 for rust research on cereals, principally wheat and rice, in addition to the House proposal.
- (4) \$75,000 each for sugar cane, and Hoja blanca disease affecting rice, in addition to the House proposal.
- (5) \$140,000 for cold-hardiness research on citrus. This work is to be conducted at Orlando, Fla.; Indio, Calif.; and Weslaco, Tex.; in cooperation with State agricultural experiment stations and the citrus industry.
- (6) \$50,000 each for oats, for farm electrification, and to initiate research on the "hotspot" conditions affecting areas of the Lower Rio Grande Valley.
- (7) \$50,000 for naval stores research.
- (8) \$25,000 each for research on barley, flax, small fruit crops in the Midwest, and for vegetable research at the new laboratory at Weslaco, Tex.
- (9) \$7,500 for research on pear decline, thereby making \$20,000 available. This amount, together with continued local cooperation and private financing, should provide sufficient financing of this project for fiscal 1959.
- (10) \$20,000 for dried bean research.

The committee requests the Department to give careful consideration to these and other farm research program needs in future budget requests."

Additional Research Facilities

"The committee received a number of proposals for soil and water, and other research facilities. These requests have merit but it was decided not to recommend any new construction items in the bill.

The committee requests the Department to make a study of facility needs for research on soil and water problems and to make a report to the committee on the scope of research results to be expected from existing facilities, and the feasibility of additional facilities. The report, to be made to the committee not later than March 1, 1959, should also include the Department's recommended priority and procedure to be followed in planning and authorizing additional new research facilities, for all major research programs."

Brucellosis Eradication Program

"The committee recommends an appropriation of \$20,000,000 for this program, an increase of \$5,000,000 over the House and over the budget request.

The committee recommends a direct appropriation for the Federal participation in Brucellosis eradication. It notes that considerable progress has been made in recent years, but believes the proposed decrease of about \$7,000,000, amounting to about 30 percent reduction, may retard the program of eradication. The recommended amount, together with continued State and local participation, should enable the program in fiscal 1959 to continue at the 1958 level."

Meat Inspection

"The committee was requested to increase this item by several interested persons and organizations. It is understood from testimony given by departmental officials that additional funds will be required, and requested in the proposed supplemental for fiscal 1959. Pending this study by the Department the committee does not recommend additional funds at this time."

Poultry Inspection

"The House bill included in this item \$7,000,000 for poultry inspection, by transferring the amount of the estimate from the Agricultural Marketing Service and by recommending a combination of meat and poultry inspection.

The committee recommends the retention of poultry inspection in the Agricultural Marketing Service as proposed in the budget request, and in line with the legislative history of the enactment of the mandatory Poultry Inspection Act."

Agricultural Conservation Program

"The committee has denied the Department's recommendation to restore the budget estimate for the 1959 advance program authorization of \$125,000,000, a decrease of \$125,000,000. The committee concurs in the House action to approve a \$250,000,000 authorization for the 1959 program.

In view of repeated efforts by departmental officials to restrict this program, the committee recommends that the following proviso be added to the bill. On page 12, line 5, insert:

: Provided further, That no change shall be made in such 1959 program which will have the effect, in any county, of restricting eligibility requirements or cost-sharing on practices included in the 1958 program, unless such change shall have been recommended by the county committee and approved by the State committee.

The recommended language is intended to preclude changes in the 1959 National Program Bulletin which would have the effect of causing restrictions or limitations on practices or cost sharing, from the 1958 program, except for changes recommended by county ASC committees and approved by the respective State ASC committee."

Agricultural Marketing Service

Marketing Research and Service

"Marketing research and agricultural estimates . . . The increase recommended by the committee is to provide funds required to expand the Cattle on Feed Reports to 13 additional States, and to provide monthly interim statistics to supplement these quarterly reports."

"Marketing services . . . The committee recommends an increase of \$100,000 over the House for administration of the Packers and Stockyards Act, to restore the full increase, \$225,000, requested in the budget.

The committee also recommends extension of Wholesale Meat Reports to Omaha and Denver amounting to \$18,000 annually; to provide Federal Livestock Market News Service for New Mexico and to include adjacent areas in Texas, Kansas, and Oklahoma, at a cost of \$24,000, for a category I marketing area; and \$33,000 for strengthening wool standardization and grading work; for a total increase of \$75,000 for these items.

The attention of the committee has been called to the need for additional funds for lettuce and vegetable reporting in the Southwest due to greatly expanded production. The Department is requested to include the required funds in an estimate in connection with the proposed supplemental appropriation bill, 1959, if the cost of reporting these new areas cannot be absorbed within the funds provided in this bill."

School Lunch Program

"An increased direct appropriation is recommended in lieu of the proviso inserted by the House to use section 32 funds for purchase and distribution of food commodities. The Department already has ample authority to provide foods acquired under section 32 programs to the school lunch program. In addition it has authority to donate foods under section 416 authority, and it uses these authorities.

The committee is concerned with the amounts donated to foreign countries under section 416 which has the effect of decreasing donations to the school lunch, and other domestic programs. The committee urges the Department to give the school-lunch program first priority and make certain that adequate food donations are made."

Foreign Agricultural Service

"The Department is directed to use counterpart funds to fill the vacancies urgently needed for attaches and supporting staff, and should use these funds to the fullest extent possible for all foreign expenditures."

Soil Bank Programs

Conservation Reserve Program

"An appropriation of \$200,000,000 is recommended, which is \$50,000,000 below the House bill, and \$150,000,000 below the budget estimate. This amount is an increase of \$37,060,000 over the amount appropriated for fiscal 1958. Based upon information provided to the committee, this amount will be sufficient to pay rental and practice costs for the 1958 signup, and for prior years."

Limitation on Administrative Expenses

"The committee recommends a partial restoration of the limitation by striking out \$15,000,000, as proposed by the House and inserting in lieu thereof \$17,000,000, an increase in total limitation of \$2,000,000 over the House bill but \$1,000,000 below the estimate. The committee also recommends full restoration of the amount to be transferred to "Local administration, section 388," by striking out \$12,000,000, as proposed by the House and inserting \$13,500,000, an increase of \$1,500,000 as requested in the budget estimate."

Authorization for 1959 Program

"The committee recommends a 1959 program authorization of \$450,000,000, an increase of \$150,000,000 over the House bill, and the amount proposed in the budget request."

Limitations on Annual and Practice Payments

"The committee recommends that the following proviso in the House bill on page 18, lines 9-15, be stricken:

:Provided further, That no part of these funds shall be paid on any contract where payments are made for land rental at rates in excess of 20 per centum of the current value of the land rented or where payments are made for conservation practices in excess of the average rate for comparable practices under the agricultural conservation program.

The committee shares the concern of the House over high rental payments made under this program and believes that careful consideration should be given making downward adjustments. In lieu of the proviso stricken out the committee recommends insertion of the following proviso, which requires the Secretary of Agriculture to give due consideration to the value of land and rental value thereon:

:Provided further, That in determining the amount of rental payments the Secretary shall give due consideration to the value of the land and the rental value thereof."

Rural Electrification Administration

Loan Authorizations

"For the rural telephone program the committee recommends an authorization of \$67,500,000, an increase over the House bill of \$7,500,000, and \$11,500,000 over the budget estimates.

In addition a \$25,000,000 contingency authorization is provided for each program, as approved by the House.

The committee feels that the Rural Electrification Administration has a responsibility for assisting and promoting rural telephone cooperatives where necessary to secure telephone service to farmers."

Farmers' Home Administration

Loan Authorizations

"The committee believes the contingency authorization approved by the House is too restrictive, in that use of the \$20,000,000 is limited to title II, farm operating loans. The committee recommends striking the House language on page 23, lines 1-7, and inserting in lieu thereof the following:

: Provided further, That additional amounts, not to exceed \$20,000,000, may be borrowed under the same terms and conditions to the extent that such additional amounts are required during the fiscal year 1959, under the then existing conditions, for the expeditious and orderly conduct of these programs.

The recommended language makes the contingency authorization funds available for any one or all loan programs."

85TH CONGRESS
2D SESSION

H. R. 11767

IN THE HOUSE OF REPRESENTATIVES

APRIL 21, 1958

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That the following sums are appropriated, out of any money
- 4 in the Treasury not otherwise appropriated, for the Depart-
- 5 ment of Agriculture and Farm Credit Administration for
- 6 the fiscal year ending June 30, 1959, namely:

1 DEPARTMENT OF AGRICULTURE

2 TITLE I—REGULAR ACTIVITIES

3 AGRICULTURAL RESEARCH SERVICE

4 SALARIES AND EXPENSES

5 For expenses necessary to perform agricultural research
6 relating to production and utilization, to control and eradicate
7 pests and plant and animal diseases, and to perform related
8 inspection, quarantine and regulatory work, and meat in-
9 spection: *Provided*, That not to exceed \$75,000 of the appro-
10 priations hereunder shall be available for employment pur-
11 suant to the second sentence of section 706 (a) of the
12 Organic Act of 1944 (5 U. S. C. 574), as amended by
13 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) :
14 *Provided further*, That appropriations hereunder shall be
15 available for the operation and maintenance of aircraft and
16 the purchase of not to exceed two, of which one shall be
17 for replacement only: *Provided further*, That appropria-
18 tions hereunder shall be available pursuant to title 5, United
19 States Code, section 565a, for the construction, alteration,
20 and repair of buildings and improvements, but unless other-
21 wise provided, the cost of constructing any one building
22 (except headhouses connecting greenhouses) shall not ex-
23 ceed \$10,000, except for five buildings to be constructed or
24 improved at a cost not to exceed \$20,000 each, and the cost
25 of altering any one building during the fiscal year shall not

1 exceed \$3,750 or 4 per centum of the cost of the building,
 2 whichever is greater:

3 Research: For research and demonstrations on the pro-
 4 duction and utilization of agricultural products, and related
 5 research and services, including administration of payments
 6 to State agricultural experiment stations; ~~(1)\$58,444,890~~
 7 ~~\$59,362,390~~: *Provided*, That the limitations contained
 8 herein shall not apply to replacement of buildings needed to
 9 carry out the Act of April 24, 1948 (21 U. S. C. 113a);

10 Plant and animal disease and pest control: For opera-
 11 tions and measures to control and eradicate pests and plant
 12 and animal diseases and for carrying out assigned inspection,
 13 quarantine and regulatory activities, as authorized by law;
 14 ~~(2)\$41,732,000~~ ~~\$47,132,000~~, of which \$1,000,000 shall be
 15 apportioned for use pursuant to section 3679 of the Revised
 16 Statutes, as amended, for the control of outbreaks of insects
 17 and plant diseases to the extent necessary to meet emergency
 18 conditions;

19 Meat inspection: For carrying out the provisions of laws
 20 relating to Federal inspection of meat, ~~(3)meat-food prod-~~
 21 ~~ucts, and poultry, and the applicable provisions of the laws~~
 22 ~~relating to process or renovated butter; \$24,326,000 and~~
 23 ~~meat-food products, and the applicable provisions of the laws~~
 24 ~~relating to process or renovated butter; \$17,236,000.~~

STATE EXPERIMENT STATIONS

Payments to States, Hawaii, Alaska, and Puerto Rico:
For payments to agricultural experiment stations to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U. S. C. 361a-361i), including administration by the United States Department of Agriculture, ~~(4)\$29,853,708~~ \$31,053,708; and payments authorized under section 204 (b) of the Agricultural Marketing Act, the Act approved August 14, 1946 (7 U. S. C. 1623), \$500,000; in all, ~~(5)\$30,353,708~~ \$31,553,708.

Penalty mail: For penalty mail costs of agricultural experiment stations, under section 6 of the Hatch Act of 1887, as amended, \$250,000.

DISEASES OF ANIMALS AND POULTRY

Eradication activities: For expenses necessary in the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuro-pneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for foot-and-mouth disease and rinderpest programs undertaken pursuant to the provisions of the Act of February 28, 1947, and the Act of May 29, 1884, as amended (7 U. S. C. 391; 21 U. S. C. 111-122), including expenses in accordance with section 2 of said Act of February 28, 1947, the Secretary may transfer from other appropriations or funds available to the bureaus, cor-

1 porations, or agencies of the Department such sums as he
 2 may deem necessary, but not to exceed \$1,000,000 for
 3 eradication of vesicular exanthema of swine, to be available
 4 only in an emergency which threatens the livestock or
 5 poultry industry of the country, and any unexpended bal-
 6 ances of funds transferred under this head in the next pre-
 7 ceding fiscal year shall be merged with such transferred
 8 amounts: *Provided*, That this appropriation shall be subject
 9 to applicable provisions contained in the item "Salaries and
 10 expenses, Agricultural Research Service".

11 EXTENSION SERVICE

12 COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

13 Payments to States, Hawaii, Alaska, and Puerto Rico:
 14 For payments for cooperative agricultural extension work
 15 under the Smith-Lever Act, as amended by the Act of June
 16 26, 1953 (7 U. S. C. 341-348), and the Act of August 11,
 17 1955 (7 U. S. C. 347a), ~~(6)\$49,220,000~~ \$52,220,000; and
 18 payments and contracts for such work under section 204
 19 (b)-205 of the Agricultural Marketing Act of 1946 (7
 20 U. S. C. 1623-1624), \$1,495,000; in all ~~(7)\$50,715,000~~
 21 \$53,715,000: *Provided*, That funds hereby appropriated
 22 pursuant to section 3 (c) of the Act of June 26, 1953,
 23 shall not be paid to any State, Hawaii, Alaska, or Puerto
 24 Rico prior to availability of an equal sum from non-Federal
 25 sources for expenditure during the current fiscal year.

26 Retirement costs for extension agents: For cost of

1 employer's share of Federal retirement for cooperative
2 extension employees, \$5,479,375.

3 Penalty mail: For costs of penalty mail for coopera-
4 tive extension agents and State extension directors,
5 \$1,868,480.

6 Federal Extension Service: For administration of the
7 Smith-Lever Act, as amended by the Act of June 26, 1953
8 (7 U. S. C. 341-348), and the Act of August 11, 1955
9 (7 U. S. C. 347a), and extension aspects of the Agricultural
10 Marketing Act of 1946 (7 U. S. C. 1621-1627), and to
11 coordinate and provide program leadership for the extension
12 work of the Department and the several States, Territories,
13 and insular possessions, \$2,096,540.

14 FARMER COOPERATIVE SERVICE

15 SALARIES AND EXPENSES

16 For necessary expenses to carry out the Act of July 2,
17 1926 (7 U. S. C. 451-457), \$578,000.

18 SOIL CONSERVATION SERVICE

19 CONSERVATION OPERATIONS

20 For necessary expenses for carrying out the provisions
21 of the Act of April 27, 1935 (16 U. S. C. 590a-590f),
22 including preparation of conservation plans and establish-
23 ment of measures to conserve soil and water (including farm
24 irrigation and land drainage and such special measures as
25 may be necessary to prevent floods and the siltation of reser-
26 voirs) ; operation of conservation nurseries; classification and

1 mapping of soils; dissemination of information; purchase
2 and erection or alteration of permanent buildings; and
3 operation and maintenance of aircraft; \$74,780,000:
4 *Provided*, That the cost of any permanent building pur-
5 chased, erected, or as improved, exclusive of the cost of
6 constructing a water supply or sanitary system and connect-
7 ing the same to any such building and with the exception of
8 buildings acquired in conjunction with land being purchased
9 for other purposes, shall not exceed \$2,500, except for eight
10 buildings to be constructed or improved at a cost not to exceed
11 \$15,000 per building and except that alterations or improve-
12 ments to other existing permanent buildings costing \$2,500
13 or more may be made in any fiscal year in an amount not to
14 exceed \$500 per building: *Provided further*, That no part
15 of this appropriation shall be available for the construction
16 of any such building on land not owned by the Government:
17 *Provided further*, That in the State of Missouri, where the
18 State has established a central State agency authorized to
19 enter into agreements with the United States or any of its
20 agencies on policies and general programs for the saving of
21 its soil by the extension of Federal aid to any soil conserva-
22 tion district in such State, the agreements made by or on
23 behalf of the United States with any such soil conservation
24 district shall have the prior approval of such central State
25 agency before they shall become effective as to such district:
26 *Provided further*, That no part of this appropriation may be

1 expended for soil and water conservation operations under
2 the Act of April 27, 1935 (16 U. S. C. 590a-590f), in
3 demonstration projects: *Provided further*, That not to exceed
4 \$5,000 may be used for employment pursuant to the second
5 sentence of section 706 (a) of the Organic Act of 1944
6 (5 U. S. C. 574), as amended by section 15 of the Act of
7 August 2, 1946 (5 U. S. C. 55a): *Provided further*, That
8 qualified local engineers may be temporarily employed at
9 per diem rates to perform the technical planning work of
10 the service.

WATERSHED PROTECTION

For expenses necessary to conduct surveys, investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U. S. C. 1001-1007), and the provisions of the Act of April 27, 1935 (16 U. S. C. 590a-590f), to remain available until expended, \$25,500,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That not to exceed \$100,000 may be used for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C.

1 574), as amended by section 15 of the Act of August 2,
2 1946 (5 U. S. C. 55a).

3 FLOOD PREVENTION

4 For expenses necessary, in accordance with the Flood
5 Control Act, approved June 22, 1936 (33 U. S. C. 701–
6 709), as amended and supplemented, and in accordance
7 with the provisions of laws relating to the activities of the
8 Department, to perform works of improvement, including
9 not to exceed \$100,000 for employment pursuant to the
10 second sentence of section 706 (a) of the Organic Act of
11 1944 (5 U. S. C. 574), as amended by section 15 of the
12 Act of August 2, 1946 (5 U. S. C. 55a), to remain avail-
13 able until expended, \$18,000,000, with which shall be
14 merged the unexpended balances of funds heretofore ap-
15 propriated or transferred to the Department for flood pre-
16 -vention purposes: *Provided*, That no part of such funds
17 shall be used for the purchase of lands in the Yazoo and
18 Little Tallahatchie watersheds without specific approval of
19 the county board of supervisors of the county in which
20 such lands are situated.

21 WATER CONSERVATION AND UTILIZATION PROJECTS

22 For expenses necessary to carry out the functions of the
23 Department under the Acts of August 11, 1939, and October

1 14, 1940 (16 U. S. C. 590y-z-10), as amended and supple-
2 mented, June 28, 1949 (63 Stat. 277), and September
3 6, 1950 (7 U. S. C. 1033-39), relating to water con-
4 servation and utilization projects, to remain available until
5 expended, \$335,000, which sum shall be merged with
6 the unexpended balances of funds heretofore appropriated
7 to said Department for the purpose of said Acts.

8 GREAT PLAINS CONSERVATION PROGRAM

9 For necessary expenses to carry into effect a program
10 of conservation in the Great Plains area, pursuant to section
11 16 (b) of the Soil Conservation and Domestic Allotment
12 Act, as added by the Act of August 7, 1956 (16 U. S. C.
13 590p), \$10,000,000, to remain available until expended.

14 AGRICULTURAL CONSERVATION PROGRAM

15 For necessary expenses to carry into effect the pro-
16 gram authorized in sections 7 to 15, 16 (a), and 17 of the
17 Soil Conservation and Domestic Allotment Act, approved
18 February 29, 1936, as amended (16 U. S. C. 590g-590
19 (o), 590p (a), and 590q), including not to exceed \$6,000
20 for the preparation and display of exhibits, including such
21 displays at State, interstate, and international fairs within
22 the United States; \$235,000,000, to remain available until
23 December 31 of the next succeeding fiscal year for compli-
24 ance with the program of soil-building and soil- and water-
25 conserving practices authorized under this head in the

1 Department of Agriculture and Farm Credit Administration
2 Appropriation Act, 1958, carried out during the period July
3 1, 1957, to December 31, 1958, inclusive: *Provided*, That
4 not to exceed \$24,698,000 of the total sum provided under
5 this head shall be available during the current fiscal year
6 for administrative expenses for carrying out such program,
7 the cost of aerial photographs, however, not to be charged
8 to such limitation; but not more than \$5,025,800 shall be
9 transferred to the appropriation account "Administrative
10 expenses, section 392, Agricultural Adjustment Act of
11 1938": *Provided further*, That none of the funds herein
12 appropriated shall be used to pay the salaries or expenses
13 of any regional information employees or any State infor-
14 mation employees, but this shall not preclude the answer-
15 ing of inquiries or supplying of information at the county
16 level to individual farmers: *Provided further*, That such
17 amounts shall be available for administrative expenses in
18 connection with the formulation and administration of the
19 1959 program of soil-building and soil- and water-conserving
20 practices, under the Act of February 29, 1936, as amended
21 (amounting to \$250,000,000, including administration, and
22 no participant shall receive more than \$2,500, except where
23 the participants from two or more farms or ranches join to
24 carry out approved practices designed to conserve or improve
25 the agricultural resources of the community) : (8)*Provided*

1 *further, That no change shall be made in such 1959 program*
2 *which will have the effect, in any county, of restricting eligi-*
3 *bility requirements or cost-sharing on practices included in the*
4 *1958 program, unless such change shall have been recom-*
5 *mended by the county committee and approved by the State*
6 *committee: Provided further, That not to exceed 5 per*
7 *centum of the allocation for the 1959 agricultural conserva-*
8 *tion program for any county may, on the recommendation of*
9 *such county committee and approval of the State committee,*
10 *be withheld and allotted to the Soil Conservation Service for*
11 *services of its technicians in formulating and carrying out the*
12 *agricultural conservation program in the participating coun-*
13 *ties, and shall not be utilized by the Soil Conservation Serv-*
14 *ice for any purpose other than technical and other assistance*
15 *in such counties, and in addition, on the recommendation of*
16 *such county committee and approval of the State commit-*
17 *tee, not to exceed 1 per centum may be made available to*
18 *any other Federal, State, or local public agency for the*
19 *same purpose and under the same conditions: Provided*
20 *further, That for the 1959 program \$2,500,000 shall be*
21 *available for technical assistance in formulating and carry-*
22 *ing out agricultural conservation practices and \$1,000,000*
23 *shall be available for conservation practices related di-*
24 *rectly to flood prevention work in approved watersheds:*
25 *Provided further, That such amounts shall be available*

1 for the purchase of seeds, fertilizers, lime, trees, or any
2 other farming material, or any soil-terracing services, and
3 making grants thereof to agricultural producers to aid
4 them in carrying out farming practices approved by the
5 Secretary under programs provided for herein: *Provided*
6 *further*, That no part of any funds available to the De-
7 partment, or any bureau, office, corporation, or other
8 agency constituting a part of such Department, shall be
9 used in the current fiscal year for the payment of salary or
10 travel expenses of any person who has been convicted of
11 violating the Act entitled "An Act to prevent pernicious
12 political activities", approved August 2, 1939, as amended,
13 or who has been found in accordance with the provisions
14 of title 18, United States Code, section 1913, to have vio-
15 lated or attempted to violate such section which prohibits
16 the use of Federal appropriations for the payment of per-
17 sonal services or other expenses designed to influence in
18 any manner a Member of Congress to favor or oppose any
19 legislation or appropriation by Congress except upon re-
20 quest of any Member or through the proper official
21 channels.

22 AGRICULTURAL MARKETING SERVICE

23 MARKETING RESEARCH AND SERVICE

24 For expenses necessary to carry on research and service
25 to improve and develop marketing and distribution relating

1 to agriculture as authorized by the Agricultural Marketing
 2 Act of 1946 (7 U. S. C. 1621-1627) and other laws,
 3 including the administration of marketing regulatory acts
 4 connected therewith: *Provided*, That appropriations here-
 5 under shall be available pursuant to 5 U. S. C. 565a for
 6 the construction, alteration, and repair of buildings and im-
 7 provements, but unless otherwise provided, the cost of
 8 erecting any one building shall not exceed \$10,000, except
 9 for two buildings to be constructed or improved at a cost
 10 not to exceed \$20,000 each, and the cost of altering any one
 11 building during the fiscal year shall not exceed \$3,750 or 3
 12 per centum of the cost of the building, whichever is greater:

13 Marketing research and agricultural estimates: For re-
 14 search and development relating to agricultural marketing
 15 and distribution, for analyses relating to farm prices, income
 16 and population, and demand for farm products, and for crop
 17 and livestock estimates, ~~(9)\$14,095,000~~ \$14,287,000: *Pro-*
 18 *vided*, That not less than \$350,000 of the funds contained in
 19 this appropriation shall be available to continue to gather
 20 statistics and conduct a special study on the price spread
 21 between the farmer and the consumer: *Provided further*,
 22 That no part of the funds herein appropriated shall be avail-
 23 able for any expense incident to ascertaining, collating, or
 24 publishing a report stating the intention of farmers as to the

1 acreage to be planted in cotton, or for estimates of apple
2 production for other than the commercial crop;

3 Marketing services: For services relating to agricultural
4 marketing and distribution, for carrying out regulatory acts
5 connected therewith, and for administration and coordination
6 of payments to States, ~~(10)\$14,097,000~~ \$21,272,000, in-
7 cluding not to exceed \$25,000 for employment at rates not to
8 exceed \$50 per diem, except for employment in rate cases at
9 not to exceed \$100 per diem pursuant to the second sentence
10 of section 706 (a) of the Organic Act of 1944 (5 U. S. C.
11 574), as amended by section 15 of the Act of August 2,
12 1946 (5 U. S. C. 55a), in carrying out section 201 (a)
13 to 201 (d), inclusive, of title II of the Agricultural Adjust-
14 ment Act of 1938 (7 U. S. C. 1291) and section 203 (j) of
15 the Agricultural Marketing Act of 1946.

16 PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS

17 For payments to departments of agriculture, bureaus
18 and departments of markets, and similar agencies for market-
19 ing activities under section 204 (b) of the Agricultural
20 Marketing Act of 1946 (7 U. S. C. 1623 (b)), \$1,160,000.

21 SCHOOL LUNCH PROGRAM

22 For necessary expenses to carry out the provisions of
23 the National School Lunch Act (42 U. S. C. 1751-1760),
24 ~~(11)\$100,000,000~~ \$125,000,000: *Provided*, That no part of

1 this appropriation shall be used for nonfood assistance under
2 section 5 of said Act(12):~~Provided further, That \$55,000,~~
3 ~~000 shall be transferred to this appropriation from funds avail-~~
4 ~~able under section 32 of the Act of August 24, 1935, for~~
5 ~~purchase and distribution of agricultural commodities and~~
6 ~~other foods pursuant to section 6 of the National School~~
7 ~~Lunch Act, such additional funds to be used for the general~~
8 ~~purposes of section 32.~~

9 FOREIGN AGRICULTURAL SERVICE

10 SALARIES AND EXPENSES

11 For necessary expenses for the Foreign Agricultural
12 Service, including carrying out title VI of the Agricultural
13 Act of 1954 (7 U. S. C. 1761-1768), and for enabling
14 the Secretary to coordinate and integrate activities of the
15 Department in connection with foreign agricultural work,
16 including not to exceed \$25,000 for representation allow-
17 ances and for expenses pursuant to section 8 of the Act
18 approved August 3, 1956 (7 U. S. C. 1766), \$4,002,300:
19 *Provided, That not less than \$400,000 of the funds contained*
20 *in this appropriation shall be available to obtain statistics*
21 *and related facts on foreign production and full and complete*
22 *information on methods used by other countries to move*
23 *farm commodities in world trade on a competitive basis.*

COMMODITY EXCHANGE AUTHORITY

SALARIES AND EXPENSES

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U. S. C. 1-17a), \$832,000.

SOIL BANK PROGRAMS

CONSERVATION RESERVE PROGRAM

For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U. S. C. 1831-1837 and 1802-1814), ~~(13)\$250,000,000~~ \$200,000,000: *Provided*, That not to exceed ~~(14)\$15,000,000~~ \$17,000,000 shall be available for administrative expenses of which not less than ~~(15)\$12,000,000~~ \$13,500,000 may be transferred to the appropriation account "Local administration, section 388, Agricultural Adjustment Act of 1938": *Provided further*, That no part of this appropriation shall be used to enter into contracts with producers which together with contracts already entered into would require payments to producers (including the cost of materials and services) in excess of ~~(16)\$300,000,000~~ \$450,000,000 in any calendar year, and for purposes of applying this limitation, practice payments shall be chargeable to the first

1 year of the contract period: *Provided further*, That no part
 2 of these funds shall be paid on any contract which is illegal
 3 under the law due to the division of lands for the purpose of
 4 evading limits on annual payments to participants~~(17)~~: ~~Pro-~~
 5 ~~vided further~~, That no part of these funds shall be paid on
 6 any contract where payments are made for land rental at
 7 rates in excess of 20 per centum of the current value of the
 8 land rented or where payments are made for conservation
 9 practices in excess of the average rate for comparable prac-
 10 tices under the agricultural conservation program: *Provided*
 11 *further*, That in determining the amount of rental payments
 12 the Secretary shall give due consideration to the value of the
 13 land and the rental value thereof.

14 ACREAGE RESERVE PROGRAM

15 For necessary expenses to carry out an acreage reserve
 16 program in accordance with the provisions of subtitles A
 17 and C of the Soil Bank Act (7 U. S. C. 1821-1824 and
 18 1802-1814, \$330,000,000: *Provided*, That not to exceed
 19 \$13,000,000 of the total sum provided under this head shall
 20 be available for administrative expenses: *Provided further*,
 21 That no part of this appropriation shall be used to formulate
 22 and administer an acreage reserve program with respect to
 23 the 1959 crops.

COMMODITY STABILIZATION SERVICE

ACREAGE ALLOTMENTS AND MARKETING QUOTAS

For necessary expenses to formulate and carry out acreage allotment and marketing quota programs pursuant to provisions of title III of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1301-1393), \$39,715,000, of which not more than \$6,380,100 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938".

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U. S. C. 1101-1161), ~~(18)\$71,000,000~~ \$76,000,000, to remain available until June 30 of the next succeeding fiscal year: *Provided*, That expenditures (including transfers) from this appropriation for other than payments to sugar producers shall not exceed \$2,124,500.

FEDERAL CROP INSURANCE CORPORATION

OPERATING AND ADMINISTRATIVE EXPENSES

For operating and administrative expenses, \$6,376,700.

1 RURAL ELECTRIFICATION ADMINISTRATION

2 To carry into effect the provisions of the Rural Elec-
3 trification Act of 1936, as amended (7 U. S. C. 901-924),
4 as follows:

5 LOAN AUTHORIZATIONS

6 For loans in accordance with said Act, and for carrying
7 out the provisions of section 7 thereof, to be borrowed from
8 the Secretary of the Treasury in accordance with the pro-
9 visions of section 3 (a) of said Act as follows: Rural elec-
10 trification program, (19)~~\$300,000,000~~ \$317,000,000; and
11 rural telephone program (20)~~\$60,000,000~~ \$67,500,000;
12 and additional amounts, not to exceed \$25,000,000 for each
13 program, may be borrowed under the same terms and condi-
14 tions to the extent that such amount is required during the
15 fiscal year 1959 under the then existing conditions for the
16 expeditious and orderly development of the rural electrifica-
17 tion program and rural telephone program.

18 SALARIES AND EXPENSES

19 For administrative expenses, including not to exceed \$500
20 for financial and credit reports, and not to exceed \$150,000
21 for employment pursuant to the second sentence of section
22 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as
23 amended by section 15 of the Act of August 2, 1946 (5
24 U. S. C. 55a), \$9,019,000.

FARMERS' HOME ADMINISTRATION

To carry into effect the provisions of titles I, II, and the related provisions of title IV of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1000-1031); the Farmers' Home Administration Act of 1946 (7 U. S. C. 1001, note; 31 U. S. C. 82h; 12 U. S. C. 371; 35 D. C. Code 535; 60 Stat. 1062-1080); the Act of July 30, 1946 (40 U. S. C. 436-439); the Act of August 28, 1937, as amended (16 U. S. C. 590r-590x-3), for the development of facilities for water storage and utilization in the arid and semiarid areas of the United States; the provisions of title V of the Housing Act of 1949, as amended (42 U. S. C. 1471-1483), relating to financial assistance for farm housing; the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U. S. C. 440-444); the items "Loans to farmers, 1948 flood damage" in the Act of June 25, 1948 (62 Stat. 1038), and "Loans to farmers, property damage" in the Act of May 24, 1949 (63 Stat. 82); the collecting and servicing of credit sales and development accounts in water conservation and utilization projects (53 Stat. 685, 719), as amended and supplemented (16 U. S. C. 590y, z-1 and z-10); and the Act to direct the Secretary of Agriculture to convey certain

1 mineral interests, approved September 6, 1950 (7 U. S. C.
2 1033-1039), as follows:

3 LOAN AUTHORIZATIONS

4 For loans (including payments in lieu of taxes and taxes
5 under section 50 of the Bankhead-Jones Farm Tenant Act,
6 as amended, and advances incident to the acquisition and
7 preservation of security of obligations under the foregoing
8 several authorities, except that such advances under title V
9 of the Housing Act of 1949, as amended, shall be made
10 from funds obtained under section 511 of that Act, as
11 amended): Title I and section 43 of title IV of the Bank-
12 head-Jones Farm Tenant Act, as amended, \$24,000,000,
13 of which not to exceed \$2,500,000 may be distributed to
14 States and Territories without regard to farm population
15 and prevalence of tenancy, in addition to the amount other-
16 wise distributed thereto, for loans in reclamation projects and
17 to entrymen on unpatented public land; title II of the Bank-
18 head-Jones Farm Tenant Act, as amended, \$180,000,000;
19 the Act of August 28, 1937, as amended, \$5,500,000:
20 *Provided*, That not to exceed the foregoing several amounts
21 shall be borrowed in one account from the Secretary of the
22 Treasury in accordance with the provisions set forth under
23 this head in the Department of Agriculture Appropriation

1 Act, 1952(21): *Provided further, That an additional*
2 *amount, not to exceed \$20,000,000, may be borrowed under*
3 *the same terms and conditions to the extent that such amount*
4 *is required during fiscal year 1959 under the then existing*
5 *conditions for the expeditious and orderly conduct of the loan*
6 *program under title II of the Bankhead-Jones Farm Tenant*
7 *Act, as amended: Provided further, That additional amounts,*
8 *not to exceed \$20,000,000, may be borrowed under the same*
9 *terms and conditions to the extent that such additional*
10 *amounts are required during the fiscal year 1959, under the*
11 *then existing conditions, for the expeditious and orderly con-*
12 *duct of these programs.*

13 SALARIES AND EXPENSES

14 For making, servicing, and collecting loans and insured
15 mortgages, the servicing and collecting of loans made under
16 prior authority, the liquidation of assets transferred to
17 Farmers' Home Administration, and other administrative
18 expenses, \$29,089,500, together with a transfer of not to
19 exceed \$1,000,000 of the fees and administrative expense
20 charges made available by subsections (d) and (e) of
21 section 12 of the Bankhead-Jones Farm Tenant Act, as
22 amended (7 U. S. C. 1005 (b)), and section 10 (c) of
23 the Act of August 28, 1937, as amended.

1 OFFICE OF THE GENERAL COUNSEL

2 SALARIES AND EXPENSES

3 For necessary expenses, including payment of fees or
4 dues for the use of law libraries by attorneys in the field
5 service, (22)~~\$2,943,000~~ \$3,043,000.

6 OFFICE OF THE SECRETARY

7 SALARIES AND EXPENSES

8 For expenses of the Office of the Secretary of Agricul-
9 ture; expenses of the National Agricultural Advisory Com-
10 mission; stationery, supplies, materials, and equipment;
11 freight, express, and drayage charges; advertising of bids,
12 communication service, postage, washing towels, repairs and
13 alterations, and other miscellaneous supplies and expenses
14 not otherwise provided for and necessary for the practical
15 and efficient work of the Department of Agriculture; \$2,-
16 668,895: *Provided*, That this appropriation shall be re-
17 imbursed from applicable appropriations for travel expenses
18 incident to the holding of hearings as required by the Ad-
19 ministrative Procedure Act (5 U. S. C. 1001).

20 OFFICE OF INFORMATION

21 SALARIES AND EXPENSES

22 For necessary expenses of the Office of Information for
23 the dissemination of agricultural information and the co-
24 ordination of informational work and programs authorized

1 by Congress in the Department, \$1,359,265, of which total
2 appropriation not to exceed \$537,000 may be used for
3 farmers' bulletins, which shall be adapted to the interests
4 of the people of the different sections of the country, an
5 equal proportion of four-fifths of which shall be delivered
6 to or sent out under the addressed franks furnished by the
7 Senators, Representatives, and Delegates in Congress, as
8 they shall direct (7 U. S. C. 417) and not less than two
9 hundred thirty thousand eight hundred and fifty copies for
10 the use of the Senate and House of Representatives of part
11 2 of the annual report of the Secretary (known as the Year-
12 book of Agriculture) as authorized by section 73 of the Act
13 of January 12, 1895 (44 U. S. C. 241) : *Provided*, That
14 in the preparation of motion pictures or exhibits by the
15 Department, not exceeding a total of \$10,000 may be used
16 for employment pursuant to the second sentence of section
17 706 (a) of the Organic Act of 1944 (5 U. S. C. 574) , as
18 amended by section 15 of the Act of August 2, 1946 (5
19 U. S. C. 55a) .

20 LIBRARY

21 SALARIES AND EXPENSES

22 For necessary expenses, including dues for library mem-
23 bership in societies or associations which issue publications

1 to members only or at a price to members lower than to
2 subscribers who are not members, \$772,000.

3 TITLE II—CORPORATIONS

4 The following corporations and agencies are hereby
5 authorized to make such expenditures, within the limits of
6 funds and borrowing authority available to each such cor-
7 poration or agency and in accord with law, and to make
8 such contracts and commitments without regard to fiscal
9 year limitations as provided by section 104 of the Govern-
10 ment Corporation Control Act, as amended, as may be nec-
11 essary in carrying out the programs set forth in the budget
12 for the fiscal year 1959 for such corporation or agency,
13 except as hereinafter provided:

14 FEDERAL CROP INSURANCE CORPORATION FUND

15 Not to exceed \$2,000,000 of administrative and
16 operating expenses may be paid from premium income.

17 COMMODITY CREDIT CORPORATION

18 RESTORATION OF CAPITAL IMPAIRMENT

19 To restore the capital impairment of the Commodity
20 Credit Corporation determined by the appraisal of June 30,
21 1957, pursuant to section 1 of the Act of March 8, 1938.
22 as amended (15 U. S. C. 713a-1), \$1,760,399,886.

23 LIMITATION ON ADMINISTRATIVE EXPENSES

24 Nothing in this Act shall be so construed as to prevent
25 the Commodity Credit Corporation from carrying out any

1 activity or any program authorized by law: *Provided*, That
2 not to exceed \$35,398,000 shall be available for adminis-
3 trative expenses of the Corporation: *Provided further*, That
4 \$1,000,000 of this authorization shall be available only to
5 expand and strengthen the sales program of the Corpora-
6 tion pursuant to authority contained in the Corporation's
7 charter: *Provided further*, That not less than 7 per centum
8 of this authorization shall be placed in reserve to be appor-
9 tioned pursuant to section 3679 of the Revised Statutes,
10 as amended, for use only in such amounts and at such time
11 as may become necessary to carry out program operations:
12 *Provided further*, That all necessary expenses (including
13 legal and special services performed on a contract or fee
14 basis, but not including other personal services) in connec-
15 tion with the acquisition, operation, maintenance, improve-
16 ment, or disposition of any real or personal property be-
17 longing to the Corporation or in which it has an interest,
18 including expenses of collections of pledged collateral, shall
19 be considered as nonadministrative expenses for the purposes
20 hereof.

21 TITLE III—RELATED AGENCIES

22 FARM CREDIT ADMINISTRATION

23 Not to exceed \$2,125,000 (from assessments collected
24 from farm credit agencies) shall be obligated during the
25 current fiscal year for administrative expenses.

1 FEDERAL FARM MORTGAGE CORPORATION

2 The Federal Farm Mortgage Corporation is authorized
3 to make such expenditures, within available funds and in
4 accordance with law, as may be necessary to liquidate its
5 assets: *Provided*, That funds realized from the liquidation
6 of assets which are determined by the Board of Directors
7 to be in excess of the requirements for expenses of liquida-
8 tion shall be declared as dividends which shall be paid into
9 the general fund of the Treasury.

10 FEDERAL INTERMEDIATE CREDIT BANKS

11 Not to exceed \$1,693,000 (to be computed on an
12 accrual basis) of the funds of the banks shall be available
13 for administrative expenses for the six months ending De-
14 cember 31, 1958, including the purchase of not to exceed
15 one passenger motor vehicle for replacement only and serv-
16 ices performed for the banks by other Government agencies
17 (except services and facilities furnished and examinations
18 made by the Farm Credit Administration, and services per-
19 formed by any Federal Reserve bank and by the United
20 States Treasury in connection with the financial transactions
21 of the banks); and said total sum shall be exclusive of
22 interest expense, legal and special services performed on a
23 contract or fee basis, and expenses in connection with the
24 acquisition, operation, maintenance, improvement, protection,

1 or disposition of real or personal property belonging to the
2 banks or in which they have an interest.

3 TITLE IV—GENERAL PROVISIONS

4 SEC. 401. Within the unit limit of cost fixed by law,
5 appropriations and authorizations made for the Department
6 under this Act shall be available for the purchase, in addi-
7 tion to those specifically provided for, of not to exceed
8 466 passenger motor vehicles of which 462 shall be for re-
9 placement only, and for the hire of such vehicles.

10 SEC. 402. Provisions of law prohibiting or restricting
11 the employment of aliens shall not apply to employment
12 under the appropriation for the Foreign Agricultural Service.

13 SEC. 403. Funds available to the Department of Agri-
14 culture shall be available for uniforms or allowances therefor
15 as authorized by the Act of September 1, 1954, as amended
16 (5 U. S. C. 2131).

17 SEC. 404. No part of the funds appropriated by this
18 Act shall be used for the payment of any officer or em-
19 ployee of the Department who, as such officer or employee,
20 or on behalf of the Department or any division, commission,
21 or bureau thereof, issues, or causes to be issued, any predic-
22 tion, oral or written, or forecast, except as to damage
23 threatened or caused by insects and pests, with respect to
24 future prices of cotton or the trend of same.

1 SEC. 405. Except to provide materials required in or
2 incident to research or experimental work where no suitable
3 domestic product is available, no part of the funds appro-
4 priated by this Act shall be expended in the purchase of
5 twine manufactured from commodities or materials produced
6 outside of the United States.

7 SEC. 406. Not less than \$1,500,000 of the appropria-
8 tions of the Department for research and service work au-
9 thorized by the Acts of August 14, 1946, and July 28, 1954
10 (7 U. S. C. 427, 1621-1629), shall be available for con-
11 tracting in accordance with said Acts.

SEC. 407. No part of any appropriation contained in this Act or of the funds available for expenditure by any corporation or agency included in this Act shall be used for publicity or propaganda purposes to support or defeat legislation pending before the Congress.

This Act may be cited as the “Department of Agriculture and Farm Credit Administration Appropriation Act, 1959”.

Passed the House of Representatives April 1, 1958.

Attest:

RALPH R. ROBERTS,
Clerk.

Passed the Senate with amendments April 21, 1958.

Attest: FELTON M. JOHNSTON,
Secretary.

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 21, 1958

Ordered to be printed with the amendments of the
Senate numbered

by this distinguished group. We are very glad they are visiting the United States. We hope their visit will have the effect—in accordance with the policy announced by our State Department—of improving relationships and understanding between the people of the United States and the people of the other countries of the world.

AGRICULTURAL AND FARM CREDIT ADMINISTRATION APPROPRIA- TION, 1959

Mr. HAYDEN. Mr. President, I move that the Senate proceed to the consideration of H. R. 11767.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 11767) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

The PRESIDING OFFICER. The clerk will state the first committee amendment.

Mr. RUSSELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RUSSELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RUSSELL. Mr. President, the bill making appropriations for the Department of Agriculture is now under consideration. I ask unanimous consent that the committee amendments be agreed to en bloc; that the bill as thus amended be considered as original text, for the purpose of amendment; and that no points of order be waived.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

Under the heading "Department of Agriculture—Title I—Regular Activities—Agricultural Research Service," on page 3, line 6, after the word "stations," to strike out "\$58,444,890" and insert "\$59,362,390."

On page 3, at the beginning of line 14, to strike out "\$41,732,000" and insert "\$47,132,000."

On page 3, line 20, after the word "meat," to strike out "meat-food products, and poultry, and the applicable provisions of the laws relating to process or renovated butter; \$24,326,000" and insert "and meat-food products, and the applicable provisions of the laws relating to process or renovated butter; \$17,326,000."

Under the subhead "State Experiment Stations," on page 4, line 7, after the word "Agriculture," to strike out "\$29,853,708"

and insert "\$31,053,708," and in line 10, after the words "in all," to strike out "\$30,353,708" and insert "\$31,553,708."

Under the subhead "Extension Service—Cooperative Extension Work, Payments and Expenses," on page 5, line 19, after "(7 U. S. C. 347a)", to strike out "\$49,220,000" and insert "\$52,220,000," and in line 22, after the words "in all," to strike out "\$50,715,000" and insert "\$53,715,000."

Under the subhead "Agricultural Conservation Program," on page 12, line 5, after the word "community," to insert a colon and "Provided further, That no change shall be made in such 1959 program which will have the effect, in any county, of restricting eligibility requirements or cost-sharing on practices included in the 1958 program, unless such change shall have been recommended by the county committee and approved by the State committee."

Under the subhead "Agricultural Marketing Service—Marketing Research and Service," on page 15, line 1, after the word "estimates," to strike out "\$14,095,000" and insert "\$14,287,000."

On page 15, line 14, after the word "States," to strike out "\$14,097,000" and insert "\$21,272,000."

Under the subhead "School Lunch Program," on page 16, at the beginning of line 9, to strike out "\$100,000,000" and insert "\$125,000,000," and in line 11, after the word "Act", to strike out the colon and "Provided further, That \$55,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act, such additional funds to be used for the general purposes of section 32."

Under the subhead "Soil Bank Programs—Conservation Reserve Program," on page 17, at the beginning of line 18, to strike out "\$250,000,000" and insert "\$200,000,000"; at the beginning of line 19, to strike out "\$15,000,000" and insert "\$17,000,000"; in line 20, after the word "than", to strike out "\$12,000,000" and insert "\$13,500,000"; on page 18, line 3, after the word "of", strike out "\$300,000,000" and insert "\$450,000,000"; in line 9, after the word "participants", to strike out the colon and "Provided further, That no part of these funds shall be paid on any contract where payments are made for land rental at rates in excess of 20 percent of the current value of the land rented or where payments are made for conservation practices in excess of the average rate for comparable practices under the agricultural conservation program", and in line 15, after the amendment just above referred to, to insert a colon and "Provided further, That in determining the amount of rental payments the Secretary shall give due consideration to the value of the land and the rental value thereof."

Under the subhead "Sugar Act Program", on page 19, at the beginning of line 18, to strike out "\$71,000,000" and insert "\$76,000,000."

Under the subhead "Loan Authorizations", on page 20, line 13, after the word "program", to strike out "\$300 million" and insert "\$317 million", and in line 14, after the word "program", to strike out "\$60 million" and insert "\$67,500,000."

Under the subhead "Farmers' Home Administration—Loan Authorizations", on page 23, line 1, after the numerals "1952", to strike out the colon and "Provide further, That an additional amount, not to exceed \$20 million, may be borrowed under the same terms and conditions to the extent that such amount is required during fiscal year 1959 under the then existing conditions for the expeditious and orderly conduct of the loan program under title II of the Bankhead Jones Farm Tenant Act as amended", and in lieu thereof to insert

"Provide further, That additional amounts, not to exceed \$20 million, may be borrowed under the same terms and conditions to the extent that such additional amounts are required during the fiscal year 1959, under the then existing conditions, for the expeditious and orderly conduct of these programs."

Under the subhead "Office of the General Counsel—Salaries and Expenses", on page 24, line 5, after the word "service", to strike out "\$2,943,000" and insert "\$3,043,000."

The PRESIDING OFFICER. The bill is open to amendment.

Mr. CARLSON. Mr. President, I should like to call the attention of the Senator from Georgia to one item.

First, I wish to say that I regret even to bring up this matter, because I have such high regard for the chairman of the subcommittee and the other members of the subcommittee who hear the testimony and the requests of the Department of Agriculture.

But I am concerned about an item of \$10 million for the Great Plains conservation program. I mention this matter for two reasons: First, I have before me a letter from a former Member of the House of Representatives, and the former chairman and ranking member of its Committee on Agriculture for probably 30 years, the Honorable Clifford R. Hope. I wish to read several paragraphs of his letter, as follows:

DEAR FRANK: I have been following the Great Plains program rather closely. They were a little slow in getting it started, but since farmers have learned more about it there is quite a great deal of interest. So much so that it seems to me that the \$10 million which were included in the Department of Agriculture appropriation bill this year will probably not be nearly enough to take care of all the applications.

I have checked with Fred Sykes on this, and also with the area conservationist for this area. They both feel certain that the applications will far exceed the amount of money available. This is true notwithstanding the fact that only 31 of the 62 Kansas counties which are eligible for the program have been included in it so far. Just thought I would mention this to you on the chance that there might be an opportunity to increase the appropriation when the bill is considered in the Senate.

The weather reports early this morning were for a 40-mile wind and blowing dust; however by the middle of the forenoon it was snowing, and by noon it was raining—and there is no telling what it will do next.

I am sending a copy of this letter to Concordia.

With kind regards, I am

Very cordially yours,

CLIFFORD R. HOPE.

I know that the distinguished chairman of the subcommittee made a study of this matter, and I should be glad to have his state his views regarding it.

Mr. RUSSELL. Mr. President, of course any information I may have would be that which was available to the Department approximately 4 weeks ago, when it presented this matter to the subcommittee.

The distinguished Senator from Kansas will recall that last year the Congress appropriated \$10 million for the current fiscal year's operation of the Great Plains program.

The information we had was to the effect that, as of the date of the hear-

ings, the plans which had been submitted called for the expenditure of only approximately \$1,100,000 of the \$10 million.

Several members of the subcommittee are greatly interested in the Great Plains program. The Senator from North Dakota [Mr. YOUNG], the Senator from South Dakota [Mr. MUNDT], and other Senators have always strongly supported and promoted the legislation looking forward to this super-conservation program in the Great Plains area.

The testimony of the Department was to the effect that there would be a considerable carryover from the \$10 million which was available in the present year, in addition to the \$10 million which the bill would make available for that work during the next year.

Of course, I know personally, and have very high regard for, the writer of the letter the Senator from Kansas has read. Former Representative Hope was at one time chairman of the House of Representatives Committee on Agriculture, and for many years was the ranking member of the committee; a number of pieces of legislation bear his name, and other laws have felt the impress of his activities.

If sufficient funds are not available, there are other authorizations which would enable the making of supplemental appropriations at a later date. Of course, I cannot speak for the committee as to whether it would approve such appropriations.

I appreciate the very high compliment the Senator from Kansas has paid the subcommittee. We do the best we can but we have not yet been able to give everyone everything desired or requested in his field.

Mr. CARLSON. Mr. President, I appreciate very much the statement the Senator from Georgia has made. As he well knows, this program is a new one. I understand that the first contracts were signed late in December. So there has been only approximately 3 months' experience in obtaining contracts under the program.

I have received the following letter from the State director of the Great Plains development program—or action group, as it is called in Kansas:

MEADE COUNTY SOIL
CONSERVATION DISTRICT,
Meade, Kans., April 17, 1958.

FRANK CARLSON,
Senator from Kansas.

DEAR MR. CARLSON: At the national meeting in Minneapolis, we were confident that a \$10 million annual Great Plains appropriation would not be adequate, but that was only a guess. Now we know.

Recent reports clearly show that this year's appropriation will be exhausted before June 30. That's \$10 million worth of business in the first 6 months. The number of signed contracts has jumped 50 percent in the last 3 weeks.

The present bill of \$10 million for fiscal 1959 at the present rate will be exhausted in 6 months. We must have at least \$20 million to keep the program moving for a year. Thirty-six additional counties have now applied for designation.

As chairman of the NASCD Great Plains action group for Kansas I urge you to in-

crease this appropriation for this worthwhile conservation program.

Truly yours,
WILLIAM H. PAINTER,
Chairman, Kansas NASCD Great Plains
Action Group.

I bring this matter up because I have read the testimony contained in the hearings. I have no doubt the committee provided for every dollar which it could under the circumstances. I urge the committee, and the Congress, to keep in mind that if additional funds are needed, there may be an opportunity to bring in supplemental requests before the session ends, in order to take care of contracts that will be submitted, based on letters from Representative Hope and the chairman of the Great Plains Action Group in Kansas.

Mr. RUSSELL. I assure the Senator the Committee on Appropriations will give careful consideration to any supplemental requests that may be made.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Vermont.

Mr. AIKEN. I was interested in the colloquy. I think the Committee on Agriculture and Forestry should look into the situation somewhat, because it has been reported there are two rates of payments for conservation work in the area covered by the Great Plains program. In some instances practices are permitted under the Great Plains program that result in a better rate of payment than is true under the ACP program. If that is so—and I have not looked into it to know whether it is, but I can conceive that it would be so—it is only natural that farmers will sign up under the Great Plains program rather than under the ACP program, if they can get greater payments for doing the same thing.

I think there should be some uniformity of payments under the conservation reserve, the ACP, and the Great Plains programs, and also some uniformity of practices under those three programs, because we cannot have them competing with each other to see under which program a farmer can sign up and get the most. I am not saying that is the case in the Great Plains area, but I also say it could conceivably be the situation there. I think the committee should make a study of that subject, to assure that a farmer who signs up under one program will get equal treatment with one who signs up under another program.

Mr. CARLSON. I am in complete accord with that statement. The Great Plains program is new. If changes are to be suggested, we ought to know of them before many contracts for 10-year periods are signed. Under the ACP, annual contracts are entered into, which would make a great deal of difference.

Mr. AIKEN. We want to make sure we get coordination rather than competition.

Mr. RUSSELL. I hope the committee will look into the matter. These acts all find their parentage in the standing Committee on Agriculture and Forestry. I hope the committee will investigate the

matter and see whether there is a proper relationship between the three programs.

Mr. THYE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. THYE. Does the act provide that the Great Plains program be extended to certain States of the country, such as Kansas, Texas, and Oklahoma; or is it general or national in scope?

Mr. CARLSON. I believe 17 States in the Midwest are eligible under the program.

Mr. THYE. The term "Great Plains" means what it implies, then?

Mr. RUSSELL. That is correct. It is my recollection the act affects 17 of the 48 States.

Mr. THYE. Inasmuch as it is a new program, and inasmuch as there is a question as to whether one program allows greater compensation per acre than another, if it should prove to be needed I personally would support a supplemental appropriation at a later time this year, or even a deficiency appropriation, if the need should manifest itself by next January.

Mr. KNOWLAND. Mr. President, will the distinguished Senator from Georgia yield?

Mr. RUSSELL. I am happy to yield.

Mr. KNOWLAND. The printed report of the hearings on this bill contains, on pages 1065-1068, letters to the chairman of the Appropriations Committee [Mr. HAYDEN] from Representatives BALDWIN and TEAGUE of California, Representative JENKINS, of Ohio, and the distinguished senior Senator from Ohio [Mr. BRICKER]. These letters concern pilot watershed projects authorized in the Agriculture Appropriation Act for fiscal year 1954. Financing of these pilot projects during the coming fiscal year is included in this bill under the watershed-protection item for the Soil Conservation Service. These letters make representations that local flood-control districts sponsoring 2 projects in California and a conservancy district sponsoring a similar project in Ohio are being required to bear a larger percentage of the construction costs of flood-control improvements than is required on any other of some 60 projects included in this program. They point out that the local organizations are currently providing funds to the limit of their tax-raising authority. They ask for a readjustment in cost sharing so that the Federal funds will be made available in at least the same ratio to construction costs as the average for other projects in this program. They note, moreover, that these projects are in areas of critical unemployment.

I find, on pages 458-459 of the hearings, that Department witnesses were questioned on this matter. They testified, in substance that, if a readjustment in cost sharing were made, no additional funds would be required in the 1959 appropriation.

Now I should like to ask the distinguished Senator from Georgia, first, if, in his opinion, the Department has the authority to make an adjustment to pro-

vide greater equity in cost sharing among the pilot watersheds. Such action would permit acceleration of construction, thereby aiding in the relief of unemployment.

Mr. RUSSELL. This matter was investigated at some length in the committee. The distinguished chairman of the full Committee on Appropriations expressed interest in some adjustment of the very unusual situation which has arisen with respect to the three projects. We discussed it with the witnesses from the Department when they were before the committee. The departmental witnesses testified they had authority to make adjustments and had authority to make a contribution of a larger percentage of Federal participation in the three projects. They stated that the legislative history of the original 60 projects, which, of course, found their origin in the appropriation bill rather than in general legislation, indicated, particularly in the other body, a desire that the cost-sharing be limited to 50 percent of Federal participation. I have investigated the list of the projects. I have found Federal participation runs anywhere from 20 to 75 or 80 percent on the various projects, but the overall participation is about 50 percent. It is my opinion that the Department would have authority to make adjustment with respect to these specific projects. It may have some impact on other projects, but the Department undoubtedly would have the authority to do it.

Mr. KNOWLAND. I thank the Senator from Georgia.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield.

Mr. MUNDT. I should like to invite the attention of the chairman of the subcommittee and the Senate to the language which appears in the House report, and the interpretation placed on that language by the Senate subcommittee and by the Senate with regard to the export program as it applies to corn and small grain.

On page 8 of the House committee report we find the following language:

The committee would point out that section 201 (a) of the Agricultural Adjustment Act of 1956, contains the following directive:

"The Commodity Credit Corporation shall, as rapidly as possible, consistent with its existing authority, the operation of the price-support program, and orderly liquidation, dispose of all stocks of agricultural commodities held by it."

That directive is clear, and the substitution of any program for competitive sales which did less than that called for would not be in line with the intent of the act and would, therefore, be illegal.

In the Senate committee report on page 5, under a subhead, "Combined competitive bid sales and export subsidy program for corn and other feed grains," we find this language:

The report of the House Appropriations Committee on the agricultural appropriation bill for 1959 argues insistently that competitive bid sales for export on not only cotton but other commodities should be continued if export subsidy programs are undertaken.

If this advice were to be followed, it would mean that the Department would have to continue to offer for sale on a competitive-bid basis for export not only cotton but also corn and other feed grains while at the same time carrying out the President's direction in his veto message on Senate Joint Resolution 162 that export subsidies in kind be paid on these commodities.

Such a combination program just would not work for corn and other feed grains.

Mr. President, I am directing my colloquy solely to the subject of corn and other feed grains, with no relationship to the cotton program whatsoever.

CCC stocks of these grains are so large that an export subsidy would be relatively ineffective if the export trade had to compete with the Government for foreign markets. In order for this export subsidy program to work, the trade has to carry stocks which it can export. If the trade were to be faced with the huge stocks held by CCC for export, it would not know what kind of a position to take. These uncertainties would certainly add up to tremendous confusion and probably little in the way of beneficial effects.

I simply wish to establish for the RECORD, with the chairman of the subcommittee, the fact that the position of the Senate Subcommittee on Agricultural Appropriations in this connection is twofold. In the first place, we did not hold any hearings on this very complicated subject. We felt that by attempting to rewrite the legislation or by establishing a directive in such an area we would be invading the jurisdiction of the respective legislative committees of the Senate and the House in the field of agriculture.

Mr. RUSSELL. That is my understanding of the position of the subcommittee. We did not approve of the House position, nor did we adopt the position of the Department.

Mr. MUNDT. That is correct.

Mr. RUSSELL. We were of the opinion that there was an overall matter of policy which would have to be determined by the standing Committee on Agriculture and Forestry.

Mr. MUNDT. And we at no time approved of the language. We did not concur in the language. We did not try to establish a selling mechanism of our own. For the information of Senators, we had printed the position and the recommendation of the Department.

Mr. RUSSELL. That is my understanding of the position of the subcommittee.

Mr. MUNDT. Therefore, it could not be construed that by the committee reports we were establishing a barrier to the type of program which the Commodity Credit Corporation is endeavoring to operate and which the Department of Agriculture is endeavoring to operate by utilizing payments in kind. We say that if there is to be any legislative mandate in that area of activity, it is something which should grow out of a recommendation of the legislative committee.

Mr. RUSSELL. That is my understanding of the position of the subcommittee.

Mr. MUNDT. I thank the Senator.

Mr. HUMPHREY. Mr. President, will the Senator from Georgia yield at that point?

Mr. RUSSELL. I yield.

Mr. HUMPHREY. First, I wish to thank the distinguished Senator from South Dakota [Mr. MUNDT] for bringing this item to the attention of the Senate, and for developing the legislative history.

Let me see if I correctly understand the matter. Neither the language in the House committee report nor the language in the Senate committee report shall be controlling, but rather the Department shall be on its own in terms of proceeding with the announced position of the President in the veto message with regard to an export program, to proceed with subsidies in kind. Is that correct?

Mr. RUSSELL. I do not understand that the Senate committee took any position on the matter.

Mr. HUMPHREY. I understand.

Mr. RUSSELL. We undertook to demonstrate in the report that we did not concur with the long recommendations of the House. We set forth the views of the Department, and said that the matter of the export policy was something to be directed by the standing committee.

Mr. HUMPHREY. The Senator is correct.

Mr. RUSSELL. We did not feel that the Committee on Appropriations should undertake to approve or disapprove of the present program, or of the program proposed.

Mr. HUMPHREY. The Senator is correct. Am I correct in interpreting what the Senator has just said, and what the reports state, to mean that this action in no way bars the Department of Agriculture from proceeding with an export program with subsidies in kind?

Mr. RUSSELL. No; we did not intend to do that, any more than we intended to bind them to the program carried on in the past.

Mr. MUNDT. Which is precisely my reason, if the Senator will permit me to say so, for raising the question with respect to legislative history. The House report did enter into the field, and I wanted it particularly made clear that we did not concur and did not establish any restraining order.

Mr. RUSSELL. The Senate committee, in my opinion, would not have gone into the matter at all, nor would it have directed any parts of its report to it, had it not been for the fact that the House dealt with the matter in lengthy terms. We did not wish to approve what the House directed, nor did we completely adopt the policy set forth in the President's veto message.

Mr. MUNDT. We went even further. We say in our report that we believe language of this kind is an intrusion into areas reserved for legislative committees.

Mr. RUSSELL. Indeed. That was, in brief, the position of the committee. If we had thought the matter was within our jurisdiction, we would have taken a very firm position on it.

Mr. MUNDT. That is correct.

Mr. RUSSELL. On one side or the other. We would have conducted lengthy hearings. We would have heard witnesses and attempted to establish what in our opinion was the proper policy. We did not deal with the matter because we did not believe it was within our jurisdiction.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. RUSSELL. I yield.

Mr. HUMPHREY. The language on page 6 of the Senate report, in the 2 paragraphs at the top of the page, states:

There are no better grain salesmen alive than those in the commercial export business, and they will do a good job of maintaining and creating foreign markets if the relatively simple mechanism of an export subsidy can place them in competition from a price standpoint.

The subsidy-in-kind program for wheat has worked well. There is no reason to believe it cannot work effectively on corn and other feed grains if it is permitted to do so.

That happens to be the view of the junior Senator from Minnesota. While I realize the report does not either applaud or reject—

Mr. RUSSELL. That was the view of some members of the committee, as individuals.

Mr. HUMPHREY. Yes.

Mr. RUSSELL. But the committee as a committee did not take any position on the matter. We included the language so that the Members of the Senate might have the contrary view to that which appeared in the House committee report.

Mr. HUMPHREY. I thank the Senator for the helpfulness of the Senate subcommittee of which the Senator is chairman in bringing this matter to our attention again. I surely want to encourage the Department of Agriculture to proceed with a program of export, and export subsidies in kind.

Mr. MUNDT. Mr. President, will the Senator yield further?

Mr. RUSSELL. I yield.

Mr. MUNDT. I also wish to encourage the Department of Agriculture to move fast and to move definitely in the direction of a program which has demonstrated its capacity to utilize American agricultural products abroad, consequently decreasing the supplies and thereby increasing the price for such products at home.

In order that the report may be abundantly clear for those who read it, Mr. President, may I point out that the very fact that we did not concur should be abundant evidence to those who read the RECORD that we are not joining in the language of the House, because with regard to those measures where we did find ourselves "sympatico" with the House, we specifically concurred.

For instance, on page 2, with regard to the agricultural conservation program, we say in the report:

The committee concurs in the House committee's commendation.

Our silence certainly does not indicate concurrence. When we concurred we concurred in print. I want that specifically in the RECORD in this instance, to show we did not concur.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the distinguished Senator from North Dakota, ranking minority member of the committee.

Mr. YOUNG. I invite the attention of the distinguished chairman to the language in the report on page 2, reading as follows:

ALLOCATING AND REPORTING OF AGRICULTURAL EXPENDITURES

The committee does not feel that the Department performs an adequate job of allocating and reporting on program expenditures. This is particularly the case in regard to price-support and foreign-aid programs administered by the Department. Other large amounts should be classified and reported as consumer benefits.

The committee requests the Secretary to restudy this matter and report his findings and recommendations to the committee early in the next session of the Congress.

Does the chairman feel that the Department of Agriculture will come forward with a different budget next year, which will more accurately reflect the cost of price support and other farm programs? When the Secretary of Agriculture appeared before the Senate Committee on Agriculture and Forestry earlier this year, he listed under the broad headline of "Price Supports" such things as school lunch, famine relief for foreign countries, food packages distributed by religious organizations and CARE, as well as drought relief.

Under the drought relief program there was \$17 million of hay provided for the drought-stricken farmers, mostly cattle raisers. There is no price support on hay at all, but still this program is listed as a price-support operation.

Does the Senator feel that such programs should not be charged to the price-support program?

Mr. RUSSELL. For several years the distinguished Senator from North Dakota has undertaken to correct this situation, which is manifestly unfair to the farmers of the United States, who have charged up to them, in appropriations for the benefit of farmers, almost every conceivable item, from foreign aid to the protection of the health of all the consuming public in the United States.

Up until now we have not been able to secure the sympathetic cooperation of the Department of Agriculture and the Secretary of Agriculture in this field.

I understand that the standing committee has made some study of the subject, and that it indicated that, of the \$1,760,000,000 in this bill to restore the capital impairment of the Commodity Credit Corporation, only \$786,500,000 is directly chargeable to losses in connection with price supports.

Mr. YOUNG. Much of this really should be charged to foreign aid.

Mr. RUSSELL. Indeed. More than \$500 million goes for food donations for domestic and foreign aid, and for emergency feed assistance. About \$500 million goes to storage, transportation, and related expenditures. I do not have the exact figures before me, but it is my recollection that under Public Law 480, some \$1 billion of losses have been incurred by the Commodity Credit Cor-

poration in connection with shipments abroad of agricultural commodities, which certainly constitutes an important part of the foreign-assistance program.

Nevertheless, such operations are not charged up to international relations. If we appropriate funds for the State Department, or for any subdivision of the State Department, it is called foreign aid. But if we appropriate funds for the Department of Agriculture, such appropriations are charged up to the farmers of the United States, and made to appear as a part of the great burden of supporting the agricultural economy.

Mr. YOUNG. If we did not have any farm surplus disposal program at all, we would still be giving many foreign countries some relief in the form of food.

Mr. RUSSELL. Even before we had a price support program, this country always contributed generously to the peoples of the world everywhere in times of great distress. I do not know to what program the relief was charged back in the days of the potato famine in Ireland, which happened more than 100 years ago, but we sent food over there then. However, we did not have this convenient vehicle of the price support program by means of which to charge it up to farmers.

Mr. YOUNG. Unfortunately, now practically all the assistance we give to foreign countries in the form of food is charged up to agriculture, and the average person in America today believes that these large expenditures are given as cash subsidies to farmers, when at least \$1 billion or \$1½ billion is actually in the form of assistance to foreign countries.

Mr. THYE. Mr. President, will the Senator yield?

Mr. RUSSELL. I shall be glad to yield if the Senator from North Dakota has concluded.

Mr. YOUNG. I have one further item.

The Department of Agriculture listed as expenditures all the loans to REA, RTA, and FHA. The REA has almost a 100 percent repayment record, yet all such loans are listed as expenditures. I am hoping that the Department, when it comes forward with its budget the next time, will at least make a notation that there is a repayment record of almost 100 percent in connection with these loans.

Mr. RUSSELL. The same is true with respect to part of the programs under the Farmers Home Administration. It is particularly true of the tenant purchase activity. That program has never shown a dime of loss to the Federal Treasury. There is really a profit on such loans.

Mr. YOUNG. It is amazing, because most of the loans are made to people who cannot obtain credit elsewhere.

Mr. THYE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. THYE. It is also true, is it not, that surplus agricultural commodities are paying for military base construction? That is the case in Spain. Surplus wheat and oil go to Spain to establish credit for the United States, which is used in paying for bases over there.

The latest figures which I have seen indicate that surplus agricultural commodities to the extent of some \$187 million had been used to pay for military construction in Spain. That is a defense measure, but it was charged to the agricultural program.

Mr. RUSSELL. The same thing is true of a considerable number of housing projects in France, to house military personnel. They were paid for with agricultural commodities. Such expenditures, at least in the public's mind, are not charged up to the defense program, but they are charged to the agricultural program.

Mr. THYE. The Senator is entirely correct.

Lard and fat from our surplus stocks went to Finland and established a credit to the United States, to pay for lumber and labor which went into prefabricated housing, which was shipped back to France to serve as housing for military personnel. Ultimately such expenditures are listed as a subsidy to agriculture, and as a part of the cost of the support program, and the taxpayer immediately looks upon the farm program as another terrific drain on the Treasury. That is the reason I mention the subject.

I wish to commend the distinguished chairman of the subcommittee of the Committee on Appropriations, and also the minority member, the distinguished Senator from North Dakota [Mr. Young], for coming forward with a most constructive appropriation bill for agriculture. Because the Senator from North Dakota and his associates on the subcommittee did such an effective job, when the bill came before the full committee it was able to approve it in every detail, because the subcommittee had prepared the way. The hearings had been complete, and every recommendation of the subcommittee was in balance with what the program needed, to such a degree that there was very little left for those of us who did not serve on the subcommittee to suggest.

I particularly commend the members of the subcommittee for the increases made available for plant and animal disease and pest control. The bill would greatly aid in stepping up the eradication program in connection with brucellosis, and also in connection with some of the other programs in the plant field.

The subcommittee is to be highly commended for developing a very fine agricultural appropriation bill.

Mr. RUSSELL. I thank the distinguished Senator from Minnesota. No Member of this body is a harder fighter for justice for the American farmer than is the distinguished Senator from Minnesota, and I am delighted that the bill meets with his approval.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield to the Senator from Delaware.

Mr. WILLIAMS. In the bill as passed by the House, under the item covering funds for poultry inspection, the House provided \$7 million, by transferring the amount of the estimate from the Agri-

cultural Marketing Service, and by recommending the combination of the meat and poultry inspections. It is my understanding that the committee in reporting the bill, adopted the suggestion made by several poultry organizations throughout the country, that the poultry inspection be kept in the Agricultural Marketing Service, as proposed in the budget request; and in line with the legislative history of the enactment of the mandatory Poultry Inspection Act. Am I correct?

Mr. RUSSELL. The Senator is correct. The distinguished Senator appeared before the committee when he heard that these two items had been combined in the other body. He was generally supported by the representatives of the poultry industry, and had the cooperation of other Senators who had participated in the writing of the Poultry Inspection Act. He pointed out that it would be most unfortunate, in the first year of the operation of the act, to go contrary to the express legislative intent of that act.

The committee therefore separated the items, leaving the meat inspection in the Agricultural Research Administration, and putting the poultry inspection in the Agricultural Marketing activity, as provided in the new act.

Mr. WILLIAMS. I appreciate that very much, and thank the committee for handling the matter in this way. I say that because to have done otherwise would have been a breach of faith on the part of Congress with the poultry industry, due to the fact that the industry had indorsed the bill on that basis, with that understanding. The bill does not go into effect until January 1st on a mandatory basis, and not until next month on an optional basis. I believe that this is a much better way of handling the matter. It is in accord with the intention of the original bill. I thank the committee for the support not only of my views but of those of the industry as a whole.

In order not to take too much time, I ask unanimous consent to have printed in the RECORD at this point a brief statement I have prepared on the subject.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILLIAMS

Last year when Congress enacted for the first time a mandatory poultry inspection bill, the poultry organizations and the farm organizations were unanimous in recommending that the poultry-inspection service should remain under the Poultry Division of the Agriculture Marketing Service, which division for years prior thereto had conducted the poultry inspection on a voluntary basis.

The reasons for this request by the poultry organizations to keep this inspection service in the Poultry Division were:

1. A strong feeling by the poultrymen that poultry as a farm product was important enough to rate its own division.

2. The Poultry Division of the Agriculture Marketing Service has for the past several years handled all poultry inspection and thereby not only is better qualified to continue the operations but also has in the field a series of regulations understood by the industry.

3. When Congress enacted the mandatory poultry inspection bill last year we over-

whelmingly rejected both in the Agriculture Committees and in the Senate the suggestion from some quarters that this inspection service for poultry be placed in the red meat inspection division. It was with the definite understanding that the poultry inspection service was to remain under the same division in the Department of Agriculture as it had been prior thereto, that the farmers endorsed the mandatory inspection bill, and for Congress now by indirection to transfer this inspection service to the red-meat section would be a breach of faith on our part.

The mandatory poultry inspection law goes into full effect on January 1, 1959; however, on an optional basis after May 1, 1958, any plant can qualify and begin operating under the inspection service.

This optional date is only 30 days hence, and many plants throughout the country either have already qualified or are in the process of meeting the qualifications. Regulations are in the field, and for months the industry has been becoming acquainted with these regulations; and to make this change as suggested in the House bill would not only be a breach of faith but also unquestionably seriously disrupt the implementation of the mandatory inspection bill.

I compliment the Senate Appropriations Committee for transferring this \$7 million appropriation back to the Poultry Division of the Agriculture Marketing Service, where it has always been and where it should remain and where the Department of Agriculture is on record as requesting that it remain.

CONSIDERATIONS INVOLVED IN THE ADMINISTRATION OF THE POULTRY PRODUCTS INSPECTION ACT BY THE AGRICULTURAL MARKETING SERVICE

The assignment of responsibility for administering the Poultry Products Inspection Act was given very careful consideration by the Department prior to and following the enactment of the act. There are several basic reasons for assigning this activity to the Agricultural Marketing Service; namely:

1. An excellent permissive inspection program, developed by the Poultry Division, Agricultural Marketing Service, has been servicing industry for better than a quarter of a century. The present employees, constituting about one-half of the estimated needed employment for the new program, will constitute the basic corps for staffing the mandatory program.

2. The Poultry Division, Agricultural Marketing Service, is staffed by excellent, well-qualified administrative and technical personnel serving this and other poultry programs, wherein a natural community of interest exists, and is fully conscious of public health responsibilities.

3. The administrative servicing of the poultry inspection program is performed by personnel servicing this program among many other programs of the Agricultural Marketing Service, such as other commodity grading and inspection programs.

4. Transition from the permissive program to the mandatory program can be accomplished with a minimum of confusion and cost by the Agricultural Marketing Service because of its responsibilities for the voluntary inspection program, as well as other related activities.

5. The assignment of the administrative responsibility for this program was taken up in considerable detail by the various legislative committees of the Congress before the legislation was enacted. This was discussed very fully by the various committees because there were numerous bills introduced in both Houses of Congress which would have assigned this responsibility to the Agricultural Research Service. The conclusion after consideration of the sentiment and evidence presented at that time was that the assignment of this activity should be left discretionary with the Secretary.

6. The poultry industry is a separate industry dealing basically with a different clientele than that involved in the meat inspection program.

7. Poultry plants are generally concentrated in different geographical locations than red meat packing plants. Therefore, the opportunity for combining supervisory functions is limited.

8. Separate staffs of inspectors are necessary since inspectors must be located in plants in sufficient numbers to provide for proper post mortem and ante mortem inspection procedures, with post mortem on a carcass-by-carcass basis as required by the law. It is essential that veterinarian supervisors be provided in close proximity to operating plants.

9. Presently, of approximately 350 plants operating under the voluntary poultry inspection program, in which about 270 are processing poultry from live to ready-to-cook form, better than 185 are also using the voluntary grading program. Under the two programs presently personnel are cross licensed to perform both functions to the fullest extent possible. There are potentially greater savings to Government and industry through combining the administration of these 2 programs than might be affected through the administration of the 2 inspection programs by 1 agency.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield to the distinguished senior Senator from Florida.

Mr. HOLLAND. Of course I know that the Senator from Georgia knows how appreciative I am, and how appreciative all our people in Florida are, of his sympathetic attention to our agricultural problems; and all of us know that he is equally sympathetic and equally fair toward agriculture throughout the United States.

I should like to ask the distinguished Senator several questions with reference to three items in the pending bill, which I should like to have mentioned in the debate.

First I refer to the item found at page 7 of the committee report, in the item designated (7), which appropriates \$50,000 for naval stores research.

The distinguished Senator from Georgia knows more about this field than perhaps any other Senator. His own State is the producer of about 70 percent of all the naval stores of the Nation.

It seems to me that perhaps it would be wise for us to show in the RECORD affirmatively just what this item covers, since it represents somewhat of a departure from the usual and main production research methods, and so forth, which have been practiced so helplessly by the research stations up to this time.

Will the distinguished Senator from Georgia give us his views as to what the \$50,000 item covers?

Mr. RUSSELL. As I understand, the \$50,000 is to be appropriated for the purpose of undertaking a program of research which will result in a wider usage and a greater utilization of the products and byproducts of the raw gum that flows from the tree. That was the original basis of the term "naval stores," and the only source of naval stores that we had for several hundred years.

Those who are interested in this industry appeared before the committee and stated that the naval stores research

station at Olustee, Fla., had contributed greatly to the means of harvesting the gum, and had developed acids which brought down the gum in larger quantities than had been known heretofore, and had developed improved cups for gathering the gum.

However, they said adequate research had not been had which would enable this industry, which is one of the oldest, if not the oldest, export industries of this continent, to keep pace with synthetics and with gums that were collected from pine trees processed by the paper mills.

Therefore, the purpose of this item is to inaugurate a program of research that will develop new uses and a wider utilization of the raw gum which flows from the pine trees.

Mr. HOLLAND. I thank the distinguished Senator. He has very clearly shown for the RECORD just what the subcommittee, headed by the distinguished Senator from Georgia, had in mind in supplying this additional item. I may say that the distinguished Senator from Georgia is himself entitled to the major part of the credit for this item, in which the rest of us on the committee gladly supported the Senator.

Mr. RUSSELL. I was very glad to make the motion with regard to the item, but I know that every member of the subcommittee was greatly impressed with the need for the item.

Mr. HOLLAND. Another item to which I should like to make reference is an item which could not appear in the budget because the cold weather from which my State suffered came long after the budget had been drawn and produced some problems so unusual that they justified the committee—and I am sure the committee so felt—in including the items that I shall mention.

I refer to item No. 5 on page 7 of the committee report. It is an item of \$140,000 for cold-hardiness research on citrus.

I know that \$140,000 was allowed, although the combined citrus industry in the States of California, Arizona, Texas, and Florida would have liked to have had a somewhat larger amount.

Am I correct in my understanding that this is the amount shown by Assistant Secretary of Agriculture, Mr. Peterson, as the appropriate amount which could be properly utilized in this important project in the fiscal year for which we are providing, 1959?

Mr. RUSSELL. If I recall correctly, the gentlemen representing the citrus-producing States, in their appearance before the committee, suggested the sum of \$185,000 to carry on this work. When the Assistant Secretary of Agriculture, Mr. Peterson, who is in charge of the work, was before the committee, he was asked, I believe by the distinguished senior Senator from Florida, as to that amount the Department thought would be necessary to carry on and expand the research to develop a type of nursery stock in the citrus industry which would have a greater resistance to cold.

At the request of the senior Senator from Florida, Mr. Peterson submitted a complete breakdown, which indicated that \$140,000 could be properly expended

in this field, and suggested that that sum was adequate.

As I recall the division of funds, he suggested that \$75,000 be expended at the Citrus Research Laboratory in Orlando, Fla., \$40,000 at the station at Weslaco, Tex., and \$25,000 at Indio, Calif.

Mr. HOLLAND. I thank the distinguished Senator from Georgia. As I understand it is the intent of the bill and of the committee to have the distribution of the \$140,000 made in accordance with the suggestion and recommendation of the Assistant Secretary of Agriculture. Is that correct?

Mr. RUSSELL. The Senator is correct.

Mr. HOLLAND. I particularly thank the distinguished chairman of the subcommittee for this item, which I believe to be of great importance. I should like to call his attention to the fact that not only is involved here the matter of nursery stock, but also the various methods of fertilization and the use of insecticides that might make a tree more resistant to cold.

I have just one more question that I should like to ask the distinguished Senator. It relates to the last paragraph in the first section at the top of page 8 of the report, which relates to various increases of the budget amounts for several programs, the largest of them being a program for the eradication of the screw worm.

The unusual cold weather in Florida resulted in eliminating the adult flies in all of the northern part of the peninsula and in south Georgia and south Alabama, where the flies are customarily found, so as to give an usually good opportunity for the eradication of the fly. As I understand, the item of \$300,000 omitted by the House from this particular appropriation was restored by the Senate committee and is included in the total restoration of \$400,000. Is that correct?

Mr. RUSSELL. That is correct; and it so appears in the committee report.

Mr. HOLLAND. It is also true that the other items making up the total of \$400,000 restored, which brought about the full restoration of budgeted amounts, applied to the taking care of the quarantine inspection service for the greatly increased movement of persons and things coming into the country at the point of greatest exposure, principally Miami, Fla., to which the inspection service addresses very great attention in seeking to keep out various diseases and pests.

Mr. RUSSELL. Miami, of course, is one of the primary ports of entry from southern regions, which have caused the visitations of some very expensive pests and insects in the past.

This item, of course, is not limited to Miami. The inspection station in Hawaii is also one of the most important stations. A large number of planes arrive there from the Orient, en route to the west coast.

This item is to strengthen the inspection service generally, although \$25,000 of the \$100,000 is particularly for the enforcement of the quarantine in Florida. Florida had occupied the unique

position of having made a State contribution to quarantine work. For some reason, Florida decided that it wanted to spend the money for something else, so the Federal Government, with thanks to Florida for what it has done in the past, has agreed to defray the costs of inspection in Florida, as well as everywhere else.

Mr. HOLLAND. I thank the Senator from Georgia, particularly for the twinkle in his eye, because Florida was one of the two States which paid any part of the quarantine-inspection service heretofore.

Particularly since Florida was putting up \$3 million of its own money for the eradication of the screwworm, we felt justified in asking to be relieved of the relatively minor item of \$25,000, which we had gladly paid before.

I thank the chairman of the subcommittee for his great sympathy for and understanding of our problems.

Mr. DIRKSEN and Mr. MUNDT addressed the Chair.

The PRESIDING OFFICER. Does Senator from Georgia yield; if so, to whom?

Mr. RUSSELL. I yield first to the Senator from Illinois, who was first on his feet; at least, I think he was; if the Senator from South Dakota rose first, I did not observe him.

Mr. DIRKSEN. Ever since I can remember, the very distinguished senior Senator from Georgia—I have known him for almost 25 years—he has been either the chairman or the ranking member of the Subcommittee on Agriculture Appropriations. I recall those delightful days when he and I were opposite numbers; when I was the chairman of the subcommittee in the House, and he was the chairman of the subcommittee in the Senate. With the passing of the years, he has developed a grasp of this whole subject which is probably unequaled by any other Member of the Senate or the House. He presides with rare grace and impartiality, and approaches his responsibility in a judicial fashion. I would be less than candid, and I think I would be recreant in my duty, if I did not compliment him for the splendid work he has always done in the field of agriculture.

If the Senator from Georgia does not mind, I wish to say something about our clerk. No one realizes the amount of work which the clerk does in assembling data, verifying figures, developing precise lists, and making them infinitely easier for Senators to examine in the subcommittee, and then in the full committee, so that we can get an excellent estimate of every item in the bill.

So I compliment Mr. Ray Schafer, the clerk of the subcommittee, who has spent long hours on what are not the easiest chores in the world. I have some notion of how hard the clerks of the committee work, so I compliment Mr. Schafer. I think I should thank him also for the gracious way in which he has always run down information and data whenever it has been requested.

In addition, long hours mean nothing to him. He has telephoned me many times after hours in order to verify something in the report or in the bill.

So I bestow an accolade on him now while I compliment our distinguished chairman, also.

Mr. RUSSELL. I am profoundly grateful to the Senator from Illinois for his commendatory references to the Senator from Georgia. Of course, the Senator from Illinois is a repository of knowledge in this particular field, because he handled the agriculture appropriation bill in the other body for many years. I personally thank him for his diligent attendance upon the sessions of the subcommittee.

On behalf of our very efficient clerk, who is not permitted to express himself on the floor of the Senate, I say, "Thank you for your very justified commendation of his fine service. I associate myself with all you have said."

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MUNDT. First, I associate myself with wholehearted emphasis in everything said by my distinguished colleague from Illinois. It is a priceless pleasure to work in the committee room with the distinguished senior Senator from Georgia, who has a vast knowledge of agricultural problems, and who applies himself to their solution without partisanship.

I think that no Member of the Senate who is informed on agricultural problems demonstrates any better than does the Senator from Georgia the fact that these are economic rather than political problems. The Senator from Georgia seeks to cure them with economic rather than political solutions.

Mr. President, will my colleague from Georgia be so kind as to yield to me for 2 or 3 minutes, without losing the floor, so that I might discuss another matter?

Mr. RUSSELL. I thank the Senator from South Dakota for his comment, and I express to him my appreciation for his very valued service on the subcommittee. He has been most helpful in the hearings, and particularly in the mark-up of the bill.

Mr. AIKEN. Mr. President, if I may add a word, I think the chairman and the other members of the Subcommittee on Agriculture appropriations, the full committee, and the staff, as well, did a good job.

Mr. RUSSELL. I thank the Senator from Vermont. I appreciate his statement.

In the more than 20 years during which I have been privileged to be the chairman of the subcommittee, I have never seen any evidence of partisanship from Senators on the other side of the aisle or on this side of the aisle. If any single measure has been handled from year to year with the aim of undertaking to serve the group of people to whom we are responsible, it has been the agriculture appropriation bill. I have never seen any evidence of partisanship.

I yield to the Senator from South Dakota.

AUTOMOBILE PRICES

Mr. MUNDT. Mr. President, I call the attention of the Senate to a bulletin which has just come from the news

ticker, and which is both encouraging and alarming. The news bulletin, which is a United Press dispatch, reads:

The American Automobile Association today endorsed legislation to require labels on new automobiles to show their exact prices. Ross D. Netherton, legislative counsel for the Triple-A, told a Senate commerce subcommittee there is "a definite need for more complete disclosure of information about the elements of cost involved in the purchase of automobiles, and a particular need for presenting this information in a form which makes it readily available to both buyer and seller, on an equal basis, as they negotiate with each other."

Netherton said "efforts to achieve this objective are clearly in the public interest."

The AAA official and John L. O'Brien, president of the Akron, Ohio, Better Business Bureau, were the first witnesses as the Subcommittee on Automobile Marketing opened hearings on a bill to require the price labeling.

The measure is sponsored by Chairman A. S. MIKE MONRONEY (Democrat, Oklahoma) and Senator STROM THURMOND (Democrat, South Carolina).

O'Brien and Netherton both contended that some method is needed for enabling a buyer to find out exactly what the car he wants to buy will cost.

At the outset, MONRONEY said buyers today can find out everything about a car except what it costs.

Remedying the situation is important, he said, because "no industry has a greater bearing on American prosperity and the current recession than the automobile industry."

Mr. President, that is both encouraging and alarming. It is encouraging, because I quite agree with the contention that one of the reasons for the slump in automobile sales is the normal, natural reluctance on the part of the buying public to buy a car in the bag without a price tag on the bag. This situation should be corrected.

It disturbs me, however, to contemplate that political paternalism may have developed in this country into such a large concept that the powers of Congress must be utilized in order to put prices on automobiles so that they may be sold to the general public. It seems to me that if we have reached the stage where the normal prudence and good judgment of the automobile manufacturers and dealers is such that they refuse to give information to the public concerning the value of the product which they sell, and it becomes necessary for Congress to legislate on the subject, we have moved a sorry step and a long one in the direction of some kind of government authoritarianism.

I believe that the so-called economic recession in which we find ourselves is largely made in Detroit. I believe it is largely an automotive recession. I believe it is an automotive recession which grows out of the fact that the American public is not buying the 1958 cars in the way in which they were expected to buy them or the way in which it was hoped they would buy them. As a consequence, that gigantic and very strategic industry in the United States has been slowed down; and as it has been slowed down, it has slowed down, in turn, a great many suppliers of the automotive industry around the nation.

It seems to me something should be said to the automotive industry in the

direction of getting them to clean up their own house, without having to ask Congress to pass a bill to require the manufacturers of Fords, Chryslers, Buicks, and other cars to put price tags on their automobiles.

I believe there is certainly a great deal of legitimacy in the contention of the witnesses that the reason why the automobiles are not being sold is that a buyer, especially in a large city, is afraid to spend his money for an automobile because he realizes that if he goes to another dealer, down the street, the latter will ask for the same car \$400 more or \$500 less, and so forth. On the other hand, in the good, old-fashioned days, when automobiles really were sold, they were advertised f. o. b. Detroit at a certain price, and thus the purchaser had some idea of what a fair price was.

But today when an American goes to an automobile dealer, to write a check for \$3,000, \$4,000, \$5,000, or \$6,000 for an automobile, the purchaser does not like to be compelled to buy his automobile on the same basis on which he would purchase a copper kettle in an oriental bazaar. In the latter case, a purchaser expects to have to dicker and bargain, and expects that the asking price will have little relationship to the sale price. Many of us have had the experience of going to an oriental bazaar and trading and dickering until finally a meeting of the minds was reached. That is all right if one is prepared to spend \$10 at an oriental bazaar, during the course of one's travels. But it is not all right when one is preparing to spend thousands of dollars for the purchase of an automobile.

I agree that the purchasing public has a right to know what an automobile will cost. I agree that something is wrong when I was told that a prospective purchaser of an automobile in Washington went to five different dealers and was quoted five different prices for the same model of automobile. He decided not to buy an automobile in 1958; he did not know who was trying to gyp him or who was trying to give him a bargain. So he continues to drive his old car.

If the automobile manufacturers are interested in the sale of automobiles and in stimulating the Nation's economy, I believe they should decide, once again, to advertise the price of the various models f. o. b. Detroit, so that the prospective purchasers will be able to know what the automobiles are worth. Then the dealers will have some basis on which to quote prices to the purchasers, and the purchasers will have some basis on which to know how much the automobiles will cost them.

I believe it is important that the automobile industry be stimulated, and I believe stimulation of the automobile industry can help stimulate economic recovery and prosperity, and can produce jobs all over America.

But it is very difficult to induce John America, when purchasing so expensive an article as an automobile, to make the purchase blind.

This morning one of my friends who lives in the Midwest, and who at this

time is in Washington, D. C., and is interested in buying an automobile, told me he was afraid to buy an automobile in Washington, D. C., because, when he went to an unknown, big-city automobile dealer, he had no idea whether the price the dealer would charge for a Buick, a Mercury, or a Chrysler would be \$500 too much or \$200 too little or "on the nose." On the other hand, he can go to his hometown, where he knows his automobile dealer intimately, and where both of them belong to the same Rotary Club, and can visit with him, get his friendly personal guidance, and can obtain a square deal.

Mr. President, to hide the price from the purchasers and to give them no idea of what the automobiles will cost, is no way to encourage the purchase of automobiles.

On the other hand, I do not think the proper course is to request Congress to pass a bill to compel that prices be placed on the automobiles by Federal law.

Mr. President, at one time we had a long debate on a so-called fair-trade bill, as it was called. Druggists, hardware dealers, clothiers, and department-store managers thought it would be a good idea to have the Congress enact into law a bill which would compel them to put the prices on the various commodities they sell, and then deny them the privilege of selling the articles below those advertised prices. The situation then existing gave rise to much confusion and much opposition on the part of wholesale houses to the marketing practices then current. That situation afforded opportunity for much evasion. But I think that is a far cry from the situation existing today in the automobile business, in which the manufacturers do not put a firm price on any automobile, and the potential purchaser has no way of knowing whether he is getting a bargain or whether he is getting taken for a hay ride.

Mr. President, I hate to see the Congress have to move so far in the direction of a paternalistic government that, in order to stop such a practice, the Congress will find it necessary to pass a law which will require that price tags be placed on automobiles. The next step would be the enactment of a law to provide the amount that could be offered for secondhand automobiles, to limit profits, or to specify service requirements.

Mr. President, this situation could be corrected at a luncheon of the automobile manufacturers in Detroit. All they need to do is to start advertising prices f. o. b. Detroit in the manner they did when the automobile industry was enjoying its greatest growth.

I believe the Congress has more important business than the enactment of such legislation. But I certainly agree with the witnesses whose testimony clearly indicates that one of the major reasons—and perhaps the major one—for the decline in the sale of automobiles is the failure of the manufacturers to make an honest declaration of what their merchandise is actually worth. Surely this should be corrected without the necessity of an act of Congress.

AMENDMENT OF THE PACKERS AND STOCKYARDS ACT

Mr. HOLLAND. Mr. President, will the distinguished senior Senator from Georgia yield to me, in order that I may submit a matter which is not related to the agricultural appropriation bill?

Mr. RUSSELL. I yield.

Mr. HOLLAND. Mr. President, on March 24 the Senate entered an order, by unanimous consent, at the direction of the distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON], which referred to the Committee on Agriculture and Forestry and the Committee on the Judiciary, Senate bill 1356, a proposed amendment of the Packers and Stockyards Act. The order contained the following direction:

With instructions that Senate bill 1356 be reported back to the Senate Calendar with the recommendations of the Committee on Agriculture and Forestry not later than Monday, April 21, 1958—

Which is today.

Mr. President, since the distinguished Senator from Maine, the ranking minority member of the committee, is now in the Chamber; and since he understands perfectly the situation; and since the distinguished chairman of the committee, the senior Senator from Louisiana [Mr. ELLENDER], has requested me to handle the matter; I wish to bring it up at this time.

The committee conducted hearings. The committee has directed that the bill be reported to the floor of the Senate with the recommendations of the Committee on Agriculture and Forestry.

It happens that the matter is a somewhat complex one; and the legal staffs of the Committee on Agriculture and Forestry and the Committee on the Judiciary, assisted by legal representatives from the Department of Agriculture and the Federal Trade Commission, are now drafting the proposed report, which apparently will not be here during the time the Senate is in session today.

With that predicate, I ask unanimous consent that since the labors of the committee have been fulfilled, that the Senate grant the Committee on Agriculture and Forestry an extension until the session on tomorrow, April 22, of the time in which it is to file its report and recommendations.

Mr. AIKEN. Mr. President, will the Senator from Florida yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Florida yield?

Mr. HOLLAND. I yield to the Senator from Maine.

Mr. AIKEN. Mr. President, if the Senator from Florida will kindly move me back to Vermont, I shall be very glad to join in the request he had made. [Laughter.]

Mr. HOLLAND. Mr. President, I shall be very glad to "move" the Senator back to the State which contains such wonderful apple orchards as does the State in which the Senator makes his home.

Mr. AIKEN. Of course, Maine is a wonderful State, and Maine has two wonderful Senators in this body. But I

still like Vermont just a little better. [Laughter.]

MR. HOLLAND. Mr. President, I apologize to the distinguished Senator from Vermont, and also to the distinguished Senators from Maine, neither one of whom happens to be on the floor at this time.

I wanted the Senator to be present, so that if he wished to make any amplification or correction of my statement, he would have an opportunity to do so.

I now ask unanimous consent that the report which contains the recommendations of our committee may be filed tomorrow, rather than today, as directed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida? Without objection, it is so ordered.

MR. HOLLAND. Mr. President, I thank the distinguished Senator from Georgia for yielding to me.

AGRICULTURAL AND FARM CREDIT ADMINISTRATION APPROPRIATIONS, 1959

The Senate resumed the consideration of the bill (H. R. 11767) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes.

The PRESIDING OFFICER. If there be no amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

MR. NEUBERGER. Mr. President, will the Senator from Georgia yield to me?

MR. RUSSELL. I yield.

MR. NEUBERGER. Some remarks were made earlier on the Senate floor by Senators from some of the great farming States, expressing gratification and approval over the fact that the committee has made merited and justifiable increases in funds provided for the eradication of brucellosis. Because this has been a major and very alarming problem in my State, I should like to concur in those expressions of approval.

In a number of counties in Oregon, a splendid beginning has been made with respect to the eradication and control of brucellosis. With Federal funds decreased, this great progress would be wiped out and the advances would deteriorate. For that reason, I desire to thank the committee for the increases which have been provided for the eradication of brucellosis, which is such a critical problem wherever cattle are raised.

There is one other matter about which I should like to ask the chairman of the subcommittee. I have had a great deal of correspondence with leaders in conservation, agriculture, marketing, education, forestry, and research in my State about appropriations for State experiment stations. I have a number of comparatively brief letters on the subject, and I ask unanimous consent that they appear in the RECORD at this point.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

OREGON WILDLIFE FEDERATION,
April 11, 1958.

HON. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR NEUBERGER: We are concerned over the possible effect of H. R. 11767—the appropriation bill for the Department of Agriculture.

As you know, this bill contains some provisions modifying the Soil Bank Conservation Reserve Act. I expect we will all agree there are some bad features in this act. On the other hand, there are some good features that as yet have had little chance for proper evaluation.

We hope the Senate will do its best to preserve the features of this act which would perpetuate vital marsh areas and wildlife food and cover plantings which might be largely nullified by the language of H. R. 11767.

Yours sincerely,
CHARLES S. COLLINS,
Executive Vice President.

AMERICAN POTASH INSTITUTE, INC.,
Portland, Ore., March 31, 1958.
The Honorable RICHARD NEUBERGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR NEUBERGER: Recently I have had the opportunity to review the total soils and water research program for the State of Oregon, and it is apparent that without the Federal grant-in-aid of \$6 million to the experiment stations, the program of soils and water is quite inadequate in this State.

Since soils and water are basic to agriculture and forestry, which in turn are the mainstay of our economy in the State, and since further knowledge in regard to better utilization of our soils and water will enhance the economy in our State, I do not believe a long dissertation on the importance of this subject is necessary at this time.

It is my understanding that even though the past appropriation of \$6 million for grants-in-aid to the Oregon experiment stations was omitted in the Presidential budget, it is possible to have these funds restored to the budget through committee action. I wish to strongly urge that such action be taken to restore these funds.

Yours truly,
GRANT H. BRAUN,
Chairman, Soil Improvement Committee.

CASCADE TRACTOR & IMPLEMENT CO.,
McMinnville, Ore., April 4, 1958.
HON. RICHARD L. NEUBERGER,
United States Senate Office Building,
Washington, D. C.

DEAR SENATOR NEUBERGER: As farm equipment dealers in the Willamette Valley of Oregon, we have definite interest in the affairs of our local agriculture, and a sincere understanding of the problems of soil conservation research, we wish to appeal to you for some special consideration concerning research in our State.

Being as close to agriculture and the local farm picture as we are, we fully realize and are quite sure you do, too, the importance of continuing development in the research program on soil and water, seed cleaning, and drainage. It is our understanding that some additional funds at this time could greatly enhance the State's research program, particularly in the categories listed above.

Any consideration and efforts which your office can direct toward some additional moneys for the above-mentioned research work will certainly mean a lot toward the development of Oregon State agriculture.

Yours truly,
ROBERT M. MORGAN, Manager.

UMATILLA CANNING CO.,

Milton-Freewater, Ore. March 25, 1958.
HON. RICHARD L. NEUBERGER,
Senator of Oregon,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: We have learned today that there is a bill coming up before the Senate that will provide Federal funds for State experiment stations. We are not familiar with the background of this bill, and if the funds are to be used for the assistance in marketing, we certainly feel there is a need. If the funds are to be used to show farmers how to produce more, we're not so sure.

It might be in order at this time to re-emphasize our position here in the Northwest. We seem to have very few production problems, but we certainly have more than our share of marketing problems. This has been multiplied many times by two factors. One is the increased costs of transportation which has eliminated us from many of the Nation's markets. The second factor is that many of the customers on the East Coast that formerly looked to the Northwest as a source of supply are now able to purchase their needs closer to home.

An example of this is apples. During the past few years, new modern methods of production and handling that were originated in the West have been developed in the Midwest and Eastern parts of the Nation and our advantages are gone. Another example would be green peas. For several years, our industry in the Northwest led the Nation in the development of mass production techniques for the production and processing of both canned peas and frozen peas. Methods that we originated are now being adopted throughout the Nation and here again, our advantages are lost.

I'm sure that we could go on and on with many other examples, but you are no doubt very familiar with these problems. What we should discuss is a means to find new ways to market the commodities that we can produce on these lands in the Northwest.

Many of us feel that our grain must be converted into meat or into commercial products other than foods. A few weeks ago we requested that our State college provide us with an expert in the marketing field to show us how we might better market meat produced with northwestern grain. It seems very possible that we could increase the consumption of meat if we could learn to produce it cheaper through the utilization of more of our byproducts.

We are enclosing a report from some of our recent feed trials that indicates that substantial savings can be made in producing meat where byproduct feeds are used wisely.

The problem now comes in marketing. The problem of finding new uses for agricultural commodities has been discussed at every farm organization meeting for many years. It seems to be our number one perennial problem and the only answer to date is simply, more research.

We are already sure of your support on this vital matter and we wish to be on record as supporting you 100 percent.

With kindest regards.

Yours very truly,

W. S. MILLER, General Manager.

P. S.: This same letter is being sent to Senator MORSE.

PORTLAND, OREG., March 27, 1958.
HON. CLARENCE CANNON,
Chairman, Appropriations Committee,
House of Representatives, Washington, D. C.

DEAR MR. CANNON: The Oregon Division of the Izaak Walton League of America urges that favorable consideration be given to the request for \$6 million increase in grants to the State experiment stations for research

in agriculture and forestry, as proposed before the House Appropriations Subcommittee.

An increase in funds is vitally needed to strengthen existing research at Oregon State College in water use and conservation. I understand that Oregon's share of this increase would be about \$100,000.

Farm fishing ponds are now being used in Oregon and Washington to raise silver salmon fry to a size when they can be released to the ocean via streams. The Alsea River watershed studies are a unique piece of research, which is not being done any other place in the United States. It comprises studies of effects of logging and farming in relation to siltation and fish life. Both projects are well underway, but more funds are needed to bring the studies to a conclusion.

Currently, the department of fish and game management at Oregon State College, with some funds from the Oregon Agricultural Experiment Station, is conducting studies in water-pollution problems (marine and fresh water) and farm fishponds; and actively co-operating in the Alsea Basin study.

We are constantly looking for more research in conservation problems. We have the trained personnel in Oregon with the ideas, imagination, and desire to work. We hope that your committee will look favorably on this request.

Very sincerely,

A. J. KREFT, M. D.,
State President, IWL A.

CORVALLIS, OREG., March 24, 1958.

Dr. A. J. KREFT,
President, Oregon Division, Izaak Walton League of America,
Portland, Oreg.

DEAR DR. KREFT: We would appreciate having your assistance in recommending to members of the Oregon congressional delegation that they support the \$6 million increase in grants to the State experiment stations for research in agriculture, forestry and home economics, as proposed before the House Agricultural Appropriations Subcommittee. Although Oregon's probable share would be about \$100,000 from the proposed increase, a portion would be used to strengthen existing research at Oregon State College in water use and conservation.

Currently, the Department of Fish and Game Management here at the college, operating on funds from the Oregon Agricultural Experiment Station, is conducting studies in water pollution problems (marine and fresh water) and farm fish ponds; and is actively cooperating in the Alsea Basin study. Additional research funds are greatly needed in these areas.

We are enclosing a suggested telegram which you might send. Please feel free to change the wording and to select the Congressmen to whom it should be sent.

Andy Landforce joins us in soliciting your help. He had to leave town before this letter was typed, otherwise he would have also signed.

Sincerely,

R. E. DIMMICK.
DONALD W. CHAPMAN.

HOOD RIVER FARM BUREAU,
Hood River, Oreg.

Whereas research is vital to the very life of agriculture; and

Whereas funds for research in agriculture have not been sufficient in the past years; and

Whereas both parties had expanded agricultural research in their national program: Therefore, be it

Resolved, That the Hood River Farm Bureau, at its regular monthly meeting, March 24, 1958, go on record as urging the Congress of the United States to reinstate the planned appropriation of an additional \$6 million annually for 5 years to the appro-

priations to the Hatch Act; and be it further

Resolved, That a copy of this resolution be sent to our Senators and Representatives and to the chairman of the Senate Subcommittee on Agriculture and to the chairman of the House Subcommittee on Agriculture.

GERHARD WERTGEN, President.

JOHN W. ARENS, Secretary-Treasurer.

Mr. NEUBERGER. Mr. President, the gist of these communications can best be epitomized by a telegram I have received on this subject from Mr. Larry Williams, president of the Oregon Agricultural Research and Advisory Committee. The telegram is brief, and reads as follows:

The Oregon Agricultural Research and Advisory Council urges your vigorous support of \$6 million increase in grants to State experiment stations for research in agriculture, forestry, and home economics as proposed in March 11 hearing before House Agricultural Appropriation Subcommittee. Research has been neglected.

An \$80 million labor payroll in Oregon is completely dependent on maintenance of a healthy agricultural industry. Supporting material will follow via airmail.

In addition, when I was in Oregon recently during the Easter recess of Congress, I had an extended and very informative discussion about this problem with Dr. R. W. Henderson, who is the able Acting Director of the Oregon Agricultural Experimental Station at Oregon State College, Corvallis, where so many epochal and important experiments have been carried on in the field of farming, marketing, and agriculture. I should like to ask the distinguished Senator from Georgia what happened to this urgent request? What was the action on the proposed \$6 million increase in grants for State experiment stations?

Mr. RUSSELL. I may say to the distinguished Senator from Oregon that, of course, he knows the committee allowed \$1,200,000 above the budget estimate for this very important activity.

Mr. NEUBERGER. I am aware of that, and grateful for it.

Mr. RUSSELL. I may say to the Senator that last year identically the same request was made. We undertook to increase the item in the Senate, and we allowed an additional \$1 million. When we got into conference we almost lost the whole item by insisting on the \$1 million, and had to take a reduction in order to avoid losing the entire item.

The Senator, of course, is aware of the fact that there is a considerable difference in the two Houses of Congress with relation to activities of this kind. Every Senator has in his State agricultural activities, land-grant colleges, State experiment stations. When we consider the other body of Congress, whose approval is necessary before an appropriation can be had, we find that only about 25 percent of the Members there have located within their districts any of those activities, and about half of the Members have very little interest in agricultural, except objectively.

We have learned from experience in the past that if we ask too much for a certain item, it can mean almost certain death for that particular item. If we asked for a reasonable amount, we can generally come out of conference with some increase.

I point out to the Senator that we have not neglected this work.

Mr. NEUBERGER. I realize that.

Mr. RUSSELL. There has been no item of appropriation in the bill that has had a greater increase since 1952 than the State experiment-station item. In 1952 the appropriation for State experiment stations was \$12,670,308. For the year 1958 the appropriation was \$30,353,000. We have almost tripled the appropriation over the past 6 years. If all of the \$1,200,000 increase stays in the bill that will be finally enacted, we shall have tripled the appropriation over the past few years. That represents a substantial increase.

I do not know of any activity of Government that justifies an appropriation more than does State experimental work; but in the light of all the circumstances as they appeared to the committee—and we all have a great interest in this subject—we decided than an increase of \$1,200,000 was about the safest amount we could expect to have adopted.

With respect to the extension service item, we have increased it \$3 million, which is half of the request. I hope when this bill is finally presented to the President and signed, we shall have a substantial part of those two items in the measure.

Mr. NEUBERGER. It is my hope these increases which the Senator from Georgia and his associates in committee have so wisely provided for the Extension Service and for the State Experiment Stations can be held in conference. I can appreciate that sometimes if one tries to reach for too much, like the dog that saw the bigger piece of meat in the water, he will be in peril of losing everything he might otherwise have had.

Mr. RUSSELL. We have found that from experience.

Mr. NEUBERGER. Of course, I lack the long experience of the Senator from Georgia, and I have had none of his experience on the Appropriations Committee.

I wanted to ask one further question of him, however, because I think our people at home tend to become discouraged when they seek a \$6 million increase for State Experiment Stations and then see an approval of only \$1,200,000, and they then realize that not all of that amount may be held in conference. Does the Senator from Georgia, who is the leader of the bill on the floor, realize that the pressure, if I may call it that, which we receive from deans of agricultural colleges, leaders in forestry and agriculture, and from marketing groups is vital even to the modest increases we hope to make each year, as the years go by?

Mr. RUSSELL. Of course, the deans of the agricultural colleges and the heads and directors of the State Experiment Stations naturally ask for the amount they believe necessary. I would be less than frank if I did not say I think the heads of the land-grant colleges should be highly pleased if we come out with the increase the Senate committee has provided.

Mr. NEUBERGER. I want to thank the Senator from Georgia for the ex-

planation he has furnished me. I agree with him that we will be grateful if we can keep the amounts in conference and on the floor of both Houses which the committee has recommended.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me for a moment?

Mr. RUSSELL. I yield.

Mr. JOHNSON of Texas. The senior Senator from Oklahoma [Mr. KERR] has submitted a statement and asked that it be printed in the RECORD in connection with the allowance by the Committee on Appropriations of \$1½ million more money for the watershed program than was recommended by the Bureau of the Budget. The Senator from Oklahoma felt that the committee, in allowing such amount, approved the Secretary of Agriculture's using some part of it for additional planning parties.

I wish to ask the chairman of the subcommittee if that is a correct understanding.

Mr. RUSSELL. I know of no limitation on the Secretary of Agriculture as to using the increase or any part thereof for planning purposes. I had assumed some part of the increase would be used for planning purposes.

Mr. JOHNSON of Texas. I thank the distinguished chairman of the subcommittee.

Mr. President, I ask unanimous consent that there may be printed at this point in the RECORD the statement of the senior Senator from Oklahoma [Mr. KERR].

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KERR

It is with deep gratitude that I note the Appropriations Committee has allowed \$1½ million more money for the watershed program than was recommended by the Bureau of the Budget. I only regret that the \$1½ million was not increased by \$3 million.

However, since the wisdom of the Senate committee has seen fit to hike the Bureau of the Budget figure for the watershed program by only \$1½ million above the Bureau of the Budget request, I would hope that the record would be clear that the Secretary of Agriculture and the Soil Conservation Service would feel free to increase the amount of money from this fund for planning of the watershed projects by a minimum of \$300,000.

In my State and in neighboring States the upstream flood-control program of the Department of Agriculture is being held up for lack of adequate planning parties. If the Secretary of Agriculture and the Chief of the Soil Conservation Service will use \$300,000 of the additional \$1½ million allowed for this program for planning, I feel confident that this worthy program can begin to catch up, and construction can advance at the rate that Congress has expressed a desire to see maintained in this worthy program.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. HUMPHREY. The Senator from Minnesota is interested in the item relating to the appropriation for the meat inspection service. As I understand, that sum is \$17,326,000. Is that a correct understanding?

Mr. RUSSELL. That is my recollection.

Mr. HUMPHREY. The committee, according to the report, was requested to increase the funds for this item by many groups, or at least by several groups of organizations and persons. It is understood from the testimony given by the departmental official that additional funds will be required.

Is it the intention of the committee in its report to indicate that if the inspection service does not have adequate funds the committee will favorably entertain a supplementary request?

Mr. RUSSELL. We would certainly view such a request sympathetically. I would not wish to commit myself in advance to any estimate which might come down. There will undoubtedly be a necessity for additional funds for the carrying out of meat inspection activities in the next fiscal year. We had a number of witnesses who testified in this regard.

This was one of those happy instances where the labor organizations and owners of the plants saw eye to eye. Both combined in the effort to obtain additional funds to carry on meat inspection. They stressed the importance of the activity for the man who pays the taxes, who is also the consumer of the meat products.

We had different requests for funds. Some witnesses thought there would be required substantial increases, but others requested lesser amounts. We had a suggestion from the Department that it was considering a supplemental, and we thought the submission of the supplemental request would be in the next supplemental bill, which will probably be before us in the next few weeks, before the beginning of the next fiscal year. By that process we can get their estimate of the sum which will be necessary, and can take appropriate action to provide for the meat inspection service.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a brief statement which I have prepared with regard to the subject of meat inspection, supporting the committee's action and encouraging further consideration of appropriations, if necessary, be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

There appears to be a general agreement, including agreement among the members of the Agriculture Appropriations Subcommittee, that the meat-inspection program needs more funds than are recommended in the bill now before us.

The committee seems to make that clear in its report. It says:

"The committee recommends an appropriation of \$17,326,000, the budget estimate and the amount in the House bill, which is an increase of \$500,000 over fiscal 1958.

"The committee was requested to increase this item by several interested persons and organizations. It is understood from testimony given by departmental officials that additional funds will be required, and requested in the proposed supplemental for fiscal 1959. Pending this study by the Department, the committee does not recommend additional funds at this time."

I take this language to mean that the committee will give sympathetic consideration to the supplementary appropriations for meat inspection when it is sent to Congress

by the administration. I want both to thank and congratulate the members of the committee for their deep concern that this vital consumer-protective program function effectively and adequately.

It is extremely unfortunate that the Eisenhower administration does not share this concern. During the past year, the administration has, on at least two occasions, shortchanged this vital program.

Last June, several Senators, including myself, sought to restore some \$1,800,000, which the committee had cut from the fiscal year 1958 request for the meat-inspection program. The very distinguished Senator from Georgia would agree to only a small part of this restoration. But he invited the administration to send a supplementary request to his subcommittee.

As usual, the distinguished Senator from Georgia was extremely fair. He did not believe that the need for one item in the request for meat inspection had been adequately shown. He suggested that the administration send a supplementary request and discuss it in more detail.

The administration did not do this. Even though the meat-inspection program continued to suffer from a severe shortage of inspectors, it refused to send a supplementary appropriation to Congress, as the chairman of the subcommittee had suggested.

This year, the administration compounded its pennypinching folly. The Meat Inspection Division of the Department of Agriculture was already unable to fulfill all of its commitments adequately. The number of plants it must inspect will increase by 3 percent in fiscal year 1959. Yet the administration requested less money than it did for fiscal year 1958. Last year it had sought \$18,618,000. In fiscal year 1959, when the work of the Meat Inspection Division will increase sharply, the administration cut its request by \$1,392,000.

This is an example of what President Eisenhower means when he says he is conservative in money matters, but liberal in matters concerning human beings. The consumer, the farmer, the worker, the meat industry, all of whom depend upon the effective functioning of this program, can suffer, as far as the administration is concerned.

But this tragic comedy of pennypinching is not over yet. More than a month ago, many of us here heard rumors that the Department of Agriculture had sent a request for a supplemental appropriation for meat inspection to the Bureau of the Budget. Soon this oft-repeated rumor became an open secret.

Two weeks ago, when the Secretary of Agriculture appeared before the Agriculture Appropriations subcommittee, he confirmed that a supplemental request of more than \$2 million was now before the Bureau.

But, unfortunately, the Bureau has said nothing yet. Apparently, the processing of this important supplemental request is taking a long time.

I sincerely trust the Bureau of the Budget will not turn down this request by the Department of Agriculture. It would have to bear the responsibility for the consequences of increased curtailments of meat production due to the shortage of inspectors.

The committee report states, "The committee was requested to increase this item by several interested persons and organizations." Here we have an amazing situation—one which speaks well of the importance of the meat inspection program.

Such diverse groups as consumer organizations, labor unions, industry groups, farm organizations and public health groups, all agreed in urging that some \$2 million be added to the administration request.

A joint "Appeal To Save the Meat Inspection Program" was sent to Senators and Congressmen by the top officers of the Amalgamated Meat Cutters and Butcher Workmen

(AFL-CIO), American Meat Institute, American National Cattlemen's Association, the National Farmers Union, the National Grange, National Independent Meat Packers Association, United States Livestock Sanitary Association, and the Western States Meat Packers Association.

Many additional organizations, which do not sign joint statements, agree with the stand of the above organizations. For example, the AFL-CIO testified to that effect before the Agriculture Appropriations Subcommittee.

This demonstrates the widespread public support for adequate appropriations for meat inspection. It is heartening to see so many groups take up the cause of this important program for public health.

I hope and expect that the Bureau of the Budget will quickly approve the supplemental request and the Appropriations Committee will speedily report it to the Senate.

Mr. HUMPHREY. There is one final point which I should like to discuss with the distinguished Senator from Georgia. May I say, in passing, I am extremely grateful, as one Senator, for the dedicated work and leadership of the Senator from Georgia in this all-important area of agricultural appropriations. I was particularly pleased with regard to the funds which were made available for the soil conservation program, for the school lunch program, for rural electrification, and of course for the many services which are conducted by the Department of Agriculture as to watershed protection, flood prevention and so forth.

As to the research items, I should like to have the observations of the Senator from Georgia. My reason for asking this is that the subcommittee of which I am privileged to serve as chairman, a subcommittee of the legislative committee dealing with agricultural matters, has before it for consideration several bills relating to utilization research on agricultural products. The subcommittee also has before it for consideration several bills relating to soil and water laboratory projects and soil, water, and plant projects.

It is the view of the Senator from Minnesota that there is adequate authority already on the statute books for the development of research in the field of the use of agricultural products for industrial purposes or other purposes. Is it the view of the Senator from Georgia that there is adequate existing authority for what we call utilization research?

Mr. RUSSELL. The Department of Agriculture has very broad authority in that field under the Research Act enacted 3 or 4 years ago. The Department has always had very broad basic authority in that field. We have allowed substantial increases in the budget for the next fiscal year. We did not go into the so-called "crash program" which had been advocated in the utilization of certain commodities.

Mr. HUMPHREY. I understand.

Mr. RUSSELL. I do not think the Department of Agriculture looks with much favor on that program. It has been our observation that when we force a department to undertake a highly technical program of the type mentioned against its own wishes and

against its own opinion the department is not likely to be too successful, but we did provide for substantial increases in the research program.

It might be interesting to note that we also authorized the expenditure of \$5 million of foreign currencies, which we have obtained under Public Law 480, for basic research in the foreign countries.

Mr. HUMPHREY. That is very good.

Mr. RUSSELL. The Department insists that it has located some very eminent research scientists in other lands and that by the use of these foreign currencies in basic research the Department will get information which will be of great benefit to us in further expanding our utilization of agricultural commodities.

Mr. HUMPHREY. I notice in the field of utilization research the committee has allowed an increase over fiscal year 1958 of \$7.3 million.

Mr. RUSSELL. That is my recollection of the amount.

Mr. HUMPHREY. In other words, the authority is present within the Agricultural Research Service for both the basic research and utilization research? There is ample authority?

Mr. RUSSELL. I know of no limitation whatever on the authority of the Department of Agriculture in the field of research in any wise pertaining to agriculture.

Mr. HUMPHREY. Yes.

Mr. RUSSELL. As a matter of fact, the Department of Agriculture, in the first place, was primarily created to serve as an organization to promote research. That was practically its function for a great many years before it ever had any action program in the field.

I have in times past handled legislation authorizing research, when I was a member of the Committee on Agriculture and Forestry many years ago. I know of no limitation, except on the amount of money which might be appropriated by the Congress for work in this field. I think Congress can appropriate for and direct research activity in almost any conceivable sphere in the agricultural field, without any embarrassment on account of statutory limitations.

Mr. HUMPHREY. That is the view of the junior Senator from Minnesota. The only reason I bring up the point in the present discussion is that we have momentarily, in the subcommittee of the Senate Committee on Agriculture and Forestry, set aside those bills relating to the broadening of the authority as to what we call utilization research, primarily because it was the view of subcommittee members and counsel of the committee that adequate authority already existed and that passage of such measures might further complicate the matter, if we were to set up a separate division or a separate unit in the Department for what we call the industrial use of agricultural products or utilization research, which went away from or was removed from the existing research laboratories and facilities.

Mr. RUSSELL. I do not know of any limitation on the authority in that field.

Of course, the Senator says he has had the matter investigated by a lawyer. Perhaps I should not have spoken so emphatically without looking into the specific statutes.

Mr. HUMPHREY. I would prefer to have the view of the Senator from Georgia.

Mr. RUSSELL. I have seen almost every conceivable type of research project brought forward in the many years I have been associated with the agricultural appropriation bill. Never at any time have I heard any question about a statutory limitation. The only limitation is the amount of money available to the Department to carry on research.

Mr. HUMPHREY. The same is true, is it not, with reference to new construction items, such as soil and water and other research facilities? The authority is there, and again it is a matter of reviewing the projects and of appropriating the funds.

Mr. RUSSELL. There is a limitation contained in the appropriation bill, but if we set up a specific project, as I understand, there is no limitation. As a matter of fact, in times past we have created various research laboratories of almost every conceivable kind and character throughout the country, merely by making appropriations therefor.

Mr. HUMPHREY. As we did last year or 2 years ago, in connection with soil and water investigations.

Mr. RUSSELL. There were three examples last year.

Mr. HUMPHREY. Without any additional legislation relating to authorization.

Mr. RUSSELL. That is correct.

Mr. HUMPHREY. I thank the Senator. I brought this question up today because some of our colleagues have expressed an interest in it, and I indicated to them that it would be discussed with the distinguished Senator from Georgia.

Mr. RUSSELL. As I recall, last year when this subject was before the Appropriations Committee, there was legislation pending in the standing Committee on Agriculture and Forestry to create at least two of the laboratories which were finally established in the appropriation bill.

Mr. HUMPHREY. In reference to the school lunch program, under section 416, there was to be a priority for surplus commodities for the school lunch program, as I recall, and not for any overseas distribution. Is not that correct?

Mr. RUSSELL. That was the construction which the committee placed on the language. The school lunch program and eleemosynary institutions in this country have priority over any other recipient in the distribution of agricultural surpluses. We undertook to establish that priority again in the committee report this year, to call the Department's attention to it.

Mr. HUMPHREY. With reference to the transfer of funds for which the House had provided in its version of the bill, was there some carryover of funds from last year?

Mr. RUSSELL. Under section 32?

Mr. HUMPHREY. I believe so.

Mr. RUSSELL. I do not recall whether there was or not, but, of course, there is a large amount of section 32 funds available each year. Thirty percent of the customs receipts are allocated to that purpose from year to year. In some years practically all of the allocation is spent. In other years, when we were not plagued by surpluses, as much as half of the allocation has been unused. For many years the Department has been giving these surplus commodities to the school lunch program, so we struck out the specific allocation of \$55 million from section 32 funds on the premise that if there were surpluses the Department would distribute them to the school lunch program anyway; and we made an increase of \$25 million in the direct appropriation for the school lunch program.

Mr. HUMPHREY. It is not to be supposed that by reason of striking out the House proviso, there is to be any limitation on the use of section 32 funds for school lunch purposes, is it?

Mr. RUSSELL. Indeed not.

Mr. HUMPHREY. I merely wished to clear the record in that respect.

Mr. RUSSELL. The committee report, in the same section which refers to striking out the proviso, reads as follows:

The committee urges the Department to give the school lunch program first priority and make certain that adequate food donations are made.

Mr. HUMPHREY. That includes also the use of section 32 funds.

Mr. RUSSELL. And all other funds available for the acquisition of surplus commodities.

Mr. HUMPHREY. I appreciate the courtesy of the Senator. I regret having taken so much of his time, but there is some doubt in the minds of some of our constituents as to just what action the Senate committee had taken in striking out the proviso. As I understand, the committee says to the Department of Agriculture, "Follow the law"; and the priority is with the school lunch program.

Mr. RUSSELL. That is correct.

Mr. HUMPHREY. I thank the Senator.

Mr. RUSSELL. We certainly did not intend to take away from the school lunch program, but to add to it.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a very brief statement dealing with the particular items in the bill which were affected by committee action.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

AGRICULTURAL APPROPRIATION BILL, 1959

This is a brief statement summarizing some of the items on the bill.

The bill before the Senate provides a total of \$3,207,973,039, of which \$1,447,573,153 is for regular activities and \$1,760,399,886 is to restore the capital impairment of the Commodity Credit Corporation.

This is \$2,719,258,836 under the total appropriations for 1958, due principally to inclusion in the second supplemental appropriation bill, 1958, of reimbursements to the

Commodity Credit Corporation for 1957 costs on the Soil Bank programs of \$489,500,000 and \$1,725,549,473 for various "special commodity disposal programs."

For regular activities the bill is \$161 million under these items for 1958, \$113 million under the estimates, and \$9 million under the bill as it passed the House.

RESEARCH AND EXTENSION

Federal research is increased \$3,247,500, of which \$2,300,000 is for utilization research, and \$917,500 for strengthening production research. In addition, \$5 million is proposed for utilization research in foreign countries through use of foreign currencies.

Plant and pest control and animal disease eradication programs are increased by \$17,050,000 over 1958, mostly for financing of brucellosis eradication program by a direct appropriation of \$20 million. Other increases of \$1,150,000 are included to strengthen eradication of the screwworm and plant quarantine inspection.

There is an increase of \$1.2 million in research payments to State experiment stations, and \$3 million for extension payments to States.

SOIL AND WATER CONSERVATION PROGRAMS

Increases of \$7 million are provided to the Soil Conservation Service, an increase of \$2.5 million over the budget for district conservation work, and \$4.8 million over 1958 for flood prevention in the 11 watersheds, \$25.5 million is provided for the small watersheds, and \$10 million for the Great Plains conservation program.

An appropriation of \$235 million plus carryover funds provides \$250 million to finance the 1958 ACP program.

An advance authorization of \$250 million for the 1959 program is recommended. This is an increase of \$125 million over the budget request.

It is proposed that the 1959 program be carried out on the same basis as the current program for 1958, except where a county committee recommends and the State committee approves changes needed in practices to meet their local conservation needs.

Five hundred thirty million dollars is provided for the Soil Bank programs, a decrease of \$233 million from 1958. Supplemental funds will have to be provided later for the increased acreage reserve for 1958 crops as authorized in the Second Supplemental Appropriation Act, 1958. No authorization is provided for acreage reserve on 1959 crops.

The conservation reserve part of the Soil Bank requires an appropriation of \$200 million, for rental and practice payments, and for 1959 a program of \$450 million is authorized.

INSPECTION, MARKETING, AND DISTRIBUTION

The bill recommends that poultry inspection be conducted under the Agricultural Marketing Service as contemplated in the enactment of the Poultry Inspection Act, and \$7 million is provided for this purpose.

The bill provides \$125 million for the school-lunch program, an increase of \$25 million. This increase is proposed partly to offset the decrease in food commodities donated to the school program.

The Secretary of Agriculture can increase the food donations to the school-lunch program by decreasing the amounts shipped to foreign countries. For example, in 1957 over one-half of \$500 million in food donations programs was given to foreign countries.

LOAN AUTHORIZATIONS

The bill authorizes expenditures of \$694 million for investment-type loan programs for rural electrification and telephone programs, and for Farmers' Home Administration loan programs.

RESTORATION OF CCC CAPITAL

The bill carries \$1,760,000,000 to restore the capital impairment of the Commodity

Credit Corporation for fiscal 1957 costs, an increase of \$520 million. Of this amount only \$786,500,000 is directly chargeable to loss on price supports. Over \$500 million goes to food donations, domestic and foreign aid and emergency feed assistance. The remaining \$500 million goes to storage, transportation, and related expenditures.

AGRICULTURAL EXPENDITURES CHARGEABLE TO THE FARMER

The committee has requested the Secretary to restudy the allocation of and reporting on agricultural expenditures. Aside from appropriations the Department is authorized to make expenditures from corporations, from their borrowing authorizations such as the Commodity Credit Corporation, and for investment loan programs which are repaid. Thus, in 1959 it is estimated expenditures will be about \$5 billion, whereas this bill appropriates less than \$1.5 billion for regular activities and \$1.8 billion for 1957 program costs.

Regardless of how the President presents his budget it is important for the Congress and the public to know that of this \$5 billion in expenditures, less than \$2 billion directly benefits the American farmer.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H. R. 11767) was passed.

Mr. RUSSELL. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. RUSSELL, Mr. HAYDEN, Mr. HILL, Mr. ROBERTSON, Mr. ELLENDER, Mr. YOUNG, Mr. MUNDT, and Mr. DWORSHAK conferees on the part of the Senate.

PRINTING OF COMMITTEE PRINT "RECRUITING AND TRAINING FOR THE FOREIGN SERVICE OF THE UNITED STATES" AS A SENATE DOCUMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 1447, Senate Resolution 281, be made the unfinished business of the Senate.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 281) authorizing the printing of the committee print Recruiting and Training for the Foreign Service of the United States, as a Senate document.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the resolution.

HOUSING FUNDS IMPOUNDED OR WITHHELD BY BUDGET BUREAU

Mr. CLARK. Mr. President, a few weeks ago I called the attention of this body to the administration's failure to release funds authorized by the Congress for our housing program. The discussion arose as the result of a bill introduced by seven of our good friends from the other side of the aisle, suggesting an expansion of the urban renewal program, and the placing of that pro-

gram on a long-term basis, with loans and grants authorized at the rate of \$500 million a year.

As I have said, the colloquy in the Senate took place as the result of the fact that seven of our friends on the other side of the aisle took the position that the housing and urban redevelopment legislation should be expedited as an aid in combating the current recession.

That caused me to investigate the situation, and to discover that last year, during the height of the administration's tight money policy, the Budget Bureau had impounded more than \$700 million of funds which had been authorized by legislation.

Without question, this action by the administration slowed down housing construction, and contributed significantly to the economic difficulties in which the Nation finds itself today.

When the present recession began to be felt, the administration, with a good deal of publicity, announced that it had released funds to spur housing. When I checked to determine for myself what the President and his advisers were actually doing to stimulate housing construction, as opposed to what they were saying, I was shocked to find that the Budget Bureau was still withholding \$305 million of the \$700 million of funds authorized by the Congress for urban renewal and other housing programs.

I made a report on this situation on the floor of the Senate a few days before the Easter recess. Now that we are back after the recess, I have checked again, because in the meantime the President signed the emergency housing bill, which authorized additional sums of money to help speed housing construction, this being said to be an anti-recession measure.

I desired to ascertain how seriously the President took the admonition of the Congress to take effective and forthright action to cure the recession. It now appears that at present President Eisenhower is withholding an even larger sum than before from the housing market.

I asked unanimous consent to have printed in the RECORD at this point as a part of my remarks a table which shows that \$1,356,400,000 of funds authorized by the Congress for housing purposes is at present either impounded or unallocated.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Balance of housing funds impounded or withheld by Budget Bureau as of Apr. 21, 1958

[In millions of dollars]

	Author- ized	Re- leased	Unallo- cated or im- pounded
FNMA special assistance:			
Under Presidential au- thority.....	950	517.6	432.4
Cooperative (FHA sec. 213).....	200	180	20
Military (FHA title VIII).....	500	475	25
Low-cost housing (Spark- man Act).....	1,000	300	700
College housing.....	925	900	25
Urban renewal.....	1,350	1,196	154
Total of all funds.....	4,925	3,568.6	1,356.4

Mr. CLARK. I wish to be perfectly fair. To be sure, some of this money is being withheld by the Bureau of the Budget because there is no sufficient demand for it immediately. On the other hand, a very large part of the withheld money could be used if the administration had the will and the imagination to find ways to put it to use.

First, Mr. President, let us look at urban renewal. The President has at his disposal \$154 million, which could be made available to keep this great program moving at top speed.

The Urban Renewal Administration has received applications for this year at the rate of \$40 million a month. If this continues until the end of the fiscal year, the demand will exceed presently available funds by well over \$200 million. In spite of this great demand, the President continues to withhold these funds. How can city officials help but be confused? On the one hand, they hear words which tell them to speed up public works. On the other hand, they find the Federal Government unwilling to support these words with action when it comes to releasing funds for the Federal share of this program.

Another program with funds impounded is the college housing loan program. Not too much money, relatively, is involved here—only \$25 million—but it is an illustration again of fine words not backed up by action or deeds. A speedup in this program could release money in the economy which is so badly needed to start again the stream of high economic activity, as well as produce badly needed housing for our young people in college.

A third program, involving considerably more money, is the special assistance program of the Federal National Mortgage Association, or FNMA. The purpose of the special assistance fund, set up in section 301 (b) of the National Housing Act is to:

Provide special assistance (when, and to the extent that, the President has determined that it is in the public interest) for the financing of (1) selected types of home mortgages (pending the establishment of their marketability) originated under special housing programs designed to provide housing of acceptable standards at full economic costs for segments of the national population which are unable to obtain adequate housing under established home-financing programs, and (2) home mortgages generally as a means of retarding or stopping a decline in mortgage lending and home-building activities which threatens materially the stability of a high-level national economy.

The second purpose of this section of the act is certainly appropriate for the current recession. There are not many times in our history where the economic conditions would be more appropriate for action than the present. Congress authorized in the 1958 emergency housing legislation an additional \$500 million to be used by the President for this purpose. This money comes from the Treasury and is released by the Budget Bureau to the FNMA in accordance with administration policy. At the present time, the Budget Bureau is withholding \$432 million.

The administration may claim that there is no need to release the \$432 mil-

lion to FNMA because there is no demand for it at this time. FNMA officials concur in this by claiming that the balance in the special-assistance categories already established is more than adequate.

Of course it is. Of course it is more than adequate under the stagnant thinking of the housing officials responsible for carrying out the purposes of the act. The only action taken as a result of the emergency legislation was to put more money into the urban-renewal fund and the elderly housing fund which funds already have adequate money.

No new liberalized regulations were issued nor were any new categories established to carry out the will of Congress.

A little imagination and the will to beat this housing slump could develop many ways for FNMA to help.

If it is true that nothing can be done, why did not the administration speak up and admit that the section 301 (b) purpose is nonsense and the \$500 million authorization by Congress purely an empty gesture?

It is not an empty gesture. An examination of the FNMA procedures reveals no change in its banker approach to the purchase of mortgages. The fees, the type of mortgages and administrative procedures work to discourage the sale of mortgages to FNMA.

An active, progressive, and imaginative program to carry out both the intent and the letter of the FNMA special assistance law would uncover programs that need help.

Par purchase of mortgages by the Federal Government is violently opposed by the mortgage lenders and it is extremely unlikely that any imaginative action on the part of FNMA to change its current program will be adopted at the present time.

The President has failed to release funds and to provide the imagination to carry out the intent of the Congress. Congress has authorized \$2,650 million for Fannie May to be used in purchasing mortgages for home-building in all categories which it was believed required special attention and aid. A billion and a half dollars of this amount were appropriated by the Sparkman Act, which was passed in record time last month, and without a single vote in opposition.

You will recall that \$500 million was to be used by the President wherever he believed it would do the most good under authority given him in the original act to purchase FHA and GI mortgages when in his opinion national economic conditions so indicate.

When could national economic conditions be more appropriate than they are now to put this money to work?

We can only conclude that the President and his advisers fail to understand the seriousness of current economic conditions or lack the imagination to use this money according to the intent of Congress.

The emergency housing bill, which passed Congress last month, has in it possibilities to put back to work perhaps 500,000 men. Of course it cannot solve the recession by itself, but it could be a center of revival around which the whole economy could rally. I dislike to see

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 13, 1958
For actions of May 12, 1958
85th-2d, No. 74

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HIGHLIGHTS: House debated mutual security authorization bill. Senate debated area redevelopment bill. House appointed conferees on agricultural appropriation bill.

SENATE

1. AREA REDEVELOPMENT. Continued debate on S. 3683, the area redevelopment bill. pp. 7503-11, 7516-23
2. CIVIL DEFENSE. Both Houses received a report of the Civil Defense Administration. pp. 7484, 7597
3. PROPERTY. Both Houses received from HEW a report covering personal property made available for distribution to public health and educational institutions and civil defense organizations and real property disposed of to public health and educational institutions. pp. 7484, 7597
4. FORESTRY. Sen. Morse inserted an Ore. Lumber and Sawmill Workers labor union resolution urging the enactment of legislation "which will revive residential construction and the lumber industry," particularly through housing construction. pp. 7484-85
Sen. Morse inserted letters of Sen. Sparkman and the chief of the Forest Service discussing capital requirements in connection with timber sales of varying size, and he commended the Forest Service "for their efforts to help promote a healthy forest products industry." pp. 7496-97

5. FOREIGN TRADE. Sen. Smith, N. J., inserted a newspaper editorial urging extension of the Reciprocal Trade Act. p. 7490
Sen. Smith, N. J., inserted a newspaper article urging continued economic aid to underdeveloped regions. pp. 7490-91
6. FOREIGN AFFAIRS. Both Houses received from the President a report on the barriers to international travel and ways and means of promoting, developing, encouraging, and facilitating such travel. pp. 7481, 7532
7. LEGISLATIVE PROGRAM. Sen. Johnson expressed hope that action could be completed on the area redevelopment bill today, May 13, and that the bill to transfer certain functions under the Packers and Stockyards Act to FTC will be taken up Thurs., May 15. He announced that the Senate will hold late sessions in order to complete unfinished business on the calendar. pp. 7481-82, 7526-27

HOUSE

8. APPROPRIATIONS. Conferees were appointed on H. R. 11767, the agricultural appropriation bill for 1959. Senate conferees were appointed April 21. p. 7531
Received the conference report on H. R. 12326, the urgent deficiency appropriation bill for 1958 (H. Rept. 1716). House conferees were appointed earlier in the day. As reported by the conferees, the bill includes \$3,500,000 for an Olympic Winter Games Arena to be built on Forest Service land, and unemployment compensation for Federal employees. pp. 7531-32, 7597
The Appropriations Committee reported without amendment H. R. 12428, the State-Justice-Judiciary appropriation bill for 1959 (H. Rept. 1708). p. 7597
9. FOREIGN AID. Began debate on H. R. 12181, to extend the mutual security program. pp. 7533-76
10. FORESTRY. The Interior and Insular Affairs Committee reported with amendment H. R. 6198, to transfer approximately 6,000 acres of land from the Sequoia National Park to the Sequoia National Forest, Calif. (H. Rept. 1712). p. 7597
11. FLOOD CONTROL. Rep. Lane criticized the "delay" in constructing flood control projects in the Merrimack River Valley. p. 7574
12. LIVESTOCK; FEED GRAINS. The "Daily Digest" states that the Subcommittee on Livestock and Feed Grains of the Agriculture Committee "met in executive session and voted to report certain recommendations to the full committee in connection with the livestock and feed grains program." p. D405

ITEMS IN APPENDIX

13. STATEHOOD. Extension of remarks of Sen. Proxmire inserting an editorial favoring statehood for Alaska. pp. A4312-3
14. TRANSPORTATION. Sen. Morton inserted a letter from the Yeary Transfer Co. favoring exemption of certain agricultural commodities from Interstate Commerce Commission regulation. p. A4314
15. PERSONNEL. Speech in the House of Rep. Breeding favoring H. R. 607, to provide for increases in the annuities of annuitants under the Civil Service Retirement Act. p. A4314

House of Representatives

MONDAY, MAY 12, 1958

The House met at 12 o'clock noon.
Dr. Waight G. Henry, Athens College, Anniston, Ala., offered the following prayer:

Oh, Thou who art without beginning of days or end of years, hear our prayer.

Remit our sins, establish within us the law of Thine everlasting kingdom that we may neither sin against Thee nor the generation of which we are a part.

We are grateful for our homes and loved ones, for our schools, for the appointed places of worship, and for citizenship in this goodly land.

Help us to translate our gratitude in terms of nobility of living and in fruitful service.

Enable us to legislate with reference to righteousness, justice, and equity.

And through Jesus Christ, be unto Thee, glory, majesty, dominion and power both now and through all subsequent eons. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, May 8, 1958, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On May 1, 1958:

H. R. 5981. An act to authorize the exchange of certain lands at Black Canyon of the Gunnison National Monument, Colo., and for other purposes; and

H. R. 9240. An act to revise certain provisions of law relating to the advertisements of mail routes, and for other purpose.

On May 5, 1958:

H. R. 8437. An act to amend the act of August 3, 1956, to authorize certain personnel of the uniformed services to accept and wear decorations conferred by the Philippine Government.

On May 9, 1958:

H. R. 5624. An act to clear the title to certain Indian land;

H. R. 7057. An act for the relief of Henryk Bigajer and Maria Bigajer;

H. R. 8524. An act to authorize the preparation of a roll of persons of Indian blood whose ancestors were members of the Otoe and Missouri Tribe of Indians and to provide for per capita distribution of funds arising from a judgment in favor of such Indians;

H. R. 8958. An act authorizing the Secretary of the Interior to convey certain Indian land to the Diocese of Superior, Superior, Wis., for church purposes, and to the town of Flambeau, Wis., for cemetery purposes;

H. R. 10112. An act to make permanent the existing privilege of free importation of guar seed; and

H. R. 11407. An act to extend for 2 years the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 12326. An act making urgent deficiency appropriations for the fiscal year ending June 30, 1958, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. ELLENDER, Mr. HILL, Mr. BRIDGES, Mr. SALTONSTALL, Mr. YOUNG, and Mr. KNOWLAND to be the conferees on the part of the Senate.

URGENT DEFICIENCY APPROPRIATION BILL, 1958

Mr. CANNON. Mr. Speaker, if I may have the attention of the gentleman from New York [Mr. TABER], I ask unanimous consent to take from the Speaker's table the bill (H. R. 12326) making urgent deficiency appropriations for the fiscal year ending June 30, 1958, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. CANNON, PATMAN, SIKES, TABER, and JONAS.

APPROPRIATIONS FOR DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION, 1959

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11767) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes, with amendments of the Senate thereto, disagree to the amendments of the Senate and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. WHITTEN, MARSHALL, NATCHER, SANTANGELO, CANNON, H. CARL ANDERSEN, HORAN, VURSELL, and TABER.

URGENCY DEFICIENCY APPROPRIATIONS, 1958

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the conferees on the urgency deficiency appropriation bill may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The conference report and statement follows:

CONFERENCE REPORT (H. REPT. NO. 1716)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12326) making urgent deficiency appropriations for the fiscal year ending June 30, 1958, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2.

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum named in said amendment, insert "\$1,000,000"; and the Senate agree to the same.

CLARENCE CANNON,
ALBERT THOMAS,
ROBERT L. F. SIKES,
JOHN TABER,
CHARLES R. JONAS,

Managers on the Part of the House.

CARL HAYDEN,
ALLEN J. ELLENDER,
LISTER HILL,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
MILTON R. YOUNG,
WILLIAM F. KNOWLAND,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12326) making urgent deficiency appropriations for the fiscal year ending June 30, 1958, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

CHAPTER I

Independent offices

Amendment No. 1: National Science Foundation—Appropriates \$1 million for the Antarctic program instead of \$2,400,000 as proposed by the Senate. An overall amount of \$2 million is approved for such program, the balance to be financed by regular appropriations available to the Foundation.

CHAPTER III

Military construction

Amendment No. 2: VIII Olympic Winter Games, 1960—Restores House language which provides that the sum of \$3,500,000 made available for this activity be derived by transfer from funds presently available to the Department of Defense, instead of making a new appropriation as proposed by the Senate.

CHAPTER V

Legislative branch

Amendment No. 3: Appropriates the usual gratuity to the widow of a deceased Senator.

CLARENCE CANNON,
ALBERT THOMAS,
ROBERT L. F. SIKES,
JOHN TABER,
CHARLES R. JONAS,

Managers on the part of the House.

SMALL BUSINESS COMMITTEE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the Select Committee on Small Business may sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

(Mr. VANIK asked and was given permission to revise and extend his remarks at this point.)

[Mr. VANIK'S remarks will appear hereafter in the Appendix.]

BOOK-BURNING

(Mr. PELLY asked and was granted permission to extend his remarks at this point in the RECORD.)

Mr. PELLY. Mr. Speaker, last Saturday, May 10, 1958, in Lebanon where the present Government is pro-Western, a mob instigated by opposition leaders burned a United States library in the city of Tripoli. Stacks of books were hauled out into the street and publicly burned.

Rather significantly, this outbursts of violence occurred on the 25th anniversary of the Hitler book-burning in Nazi Germany.

All of which, Mr. Speaker, prompts me to suggest that freedom of printed expression cannot be suppressed by a mere bonfire of books. The pen has ever proved mightier than the sword, and in time information and ideas will triumph over pyromaniacal acts and over the very doctrine of ignorance and tyranny of the Communists which inspired the shameful violence in the first place.

STORY OF FREE ENTERPRISE

(Mr. ALGER asked and was granted permission to extend his remarks at this point in the RECORD.)

Mr. ALGER. Mr. Speaker, the Warner & Swasey Co., of Cleveland, through

a series of ads have told the story of free enterprise—those simple truths which are often obscured or distorted by Federal aid and redtape.

One such story told about an old man in the South with a rowboat who ferries passengers across a mile-wide river for 10 cents.

Asked, "How many times a day do you do this?" he said, "As many times as I can, because the more I go the more I get. And if I don't go, I don't get."

The corollary to the "If I don't go, I don't get" philosophy is living within one's income, an economic law which no legislation passed by Congress can repeal. True, we can close our eyes to the need for government to balance income and outgo, even as can an individual, but this is only self-deception.

The Charleston, S. C., News and Courier tells the story of a census taker who asked a man if he lived within his income. The man replied with dignity:

Certainly not. It's all I can do, sir, to live within my credit.

REPORT ON BARRIERS TO INTERNATIONAL TRAVEL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 381)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs, and ordered printed:

To the Congress of the United States:

Pursuant to the provisions of section 8 (m) of the Mutual Security Act of 1957, I am transmitting herewith a report on the barriers to international travel and ways and means of promoting, developing, encouraging, and facilitating such travel.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, May 12, 1958.

MILITARY PAY BILL

Mr. KILDAY. Mr. Speaker, I call up the conference report on the bill (H. R. 11470) to adjust the method of computing basic pay for officers and enlisted members of the uniformed services, to provide proficiency pay for enlisted members thereof, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. KILDAY]?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House, May 8, 1958.)

Mr. KILDAY. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

THE LATE HONORABLE JOSEPH E. DAVIES

(Mr. McCORMACK asked and was granted permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCORMACK. Mr. Speaker, like countless thousands of other friends and admirers here and abroad, I am very sorry to learn of the passing of my friend, former Ambassador Joseph E. Davies.

During my years of service in Congress I have met many persons who have made a profound impression upon me and with some of them a close friendship between us has developed. One of them was my good friend Joseph E. Davies who died a few days ago. A former Ambassador to the Soviet Union, in which position he performed his duties in an outstanding manner and performing other diplomatic missions with skill and tact; a close friend of the late Presidents Woodrow Wilson, Franklin D. Roosevelt, and former President Harry S. Truman, Joe Davies has made his contribution to American history. In any position he occupied, in public or private life, "Joe" Davies carried out his responsibilities and performed his trust in outstanding manner.

He was devoted to duty and loyal to his friends. "Joe" Davies was not only a kind and charitable man, but greater, he was a good man.

The many friends and admirers of Joe Davies will miss him very much. I shall miss him.

To his loved ones left behind I extend my deep sympathy in their bereavement.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Massachusetts.

Mr. MARTIN. I wish to join the distinguished majority leader in expressing deep regret at the passing of former Ambassador Joseph E. Davies. It was my privilege to know Mr. Davies since 1917. I recall being in Milwaukee the day the first Wisconsin troops went off to fight in World War I. That night I first met Mr. Davies at a banquet and have enjoyed his friendship ever since.

I followed his career and know the great contributions he has made to the country in many fields of activity. I join in expressing my sincere regrets on his death and offering my sympathy to his family.

Mr. McCORMACK. I appreciate the remarks of the gentleman from Massachusetts, and I know the remarks he made will bring consolation to the loved ones left behind.

GENERAL ORDER TO EXTEND

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have leave to extend their remarks at this point on the life, character, and public service of Mr. Davies.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FULTON. Mr. Speaker, we people in the Congress who knew personally Ambassador Joseph E. Davies are sad-

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A point of order was sustained against an amendment by Rep. Dingell which would have authorized the use of foreign currencies under Public Law 480 for the analysis and evaluation of foreign books, periodicals, and other materials of technical and scientific significance to the U. S., and for the acquisition of such materials. pp. 7833-34

14. FEDERAL-STATE RELATIONS. Received from the President a message recommending enactment of legislation to implement the recommendations of the Joint Federal-State Action Committee, including the discontinuance of grants for vocational education, and discontinuance of grants for construction of waste treatment plants (H. Doc. 383). pp. 7842-43, 7853

Also received from the Budget Bureau a proposed bill to implement these recommendations; to Ways and Means Committee. p. 7853

15. PAY RAISES. Rep. Granahan urged prompt enactment of legislation for pay raises for Federal employees. pp. 7844-45

16. AGRICULTURAL APPROPRIATION BILL. The "Daily Digest" states that conferees met on this bill "but did not conclude their work, and will meet again Monday, May 19." p. D418

ITEMS IN APPENDIX

17. ELECTRIFICATION. Sen. Kefauver inserted his recent address commemorating the 25th anniversary of TVA. pp. A4415-6

18. DAIRY CATTLE. Extension of remarks of Sen. Potter inserting excerpts from a proclamation declaring the month of May in the State of Michigan as Purebred Dairy Cattle Month. p. A4427

19. SURPLUS PROPERTY. Extension of remarks of Rep. McCormack inserting a release itemizing the disposition of certain surplus property and stating that "I have been convinced for some time that more effective management of the numerous supply and service systems of the Dept. of Defense would greatly reduce the volume of surplus property." p. A4435

20. FOREIGN TRADE. Rep. Dorn inserted Robt. T. Stevens', former Secretary of the Army, speech advocating advantageous reciprocal trade. pp. A4435-7

21. ONIONS. Extension of remarks of Rep. Knutson urging enactment of H. R. 376, to prohibit trading in onion futures in commodity exchanges. p. A4441

22. FARM PROGRAM. Rep. Hemphill inserted Sen. Thurmond's address during the celebration of Farm Day in Calhoun County, S. C. pp. A4453-5
Rep. Dague inserted an editorial, "Benson Will Survive." p. A4455
Extension of remarks of Rep. Watts inserting an article, and stating that "it gets to the bottom of the so-called increase in the farmer's income." pp. A4460-1

23. STATEHOOD. Rep. Evins inserted 2 articles favoring statehood for Alaska. pp. A4459-60

BILLS INTRODUCED

24. EDUCATION. S. 3802, by Sen. Smith, N.J., to facilitate administration of the act authorizing cooperative research in education; to Labor and Public Welfare Committee. Remarks of author. p. 7738
25. LANDS. S. 3809, by Sen. Jackson (by request), to grant the status of public lands to certain reef lands and vesting authority in the commissioner of public lands of the Territory of Hawaii in respect of reef lands having the status of public lands; to Interior and Insular Affairs Committee.
26. STOCKPILING. S. Res. 304, by Sen. Murray (for himself and others), ~~pertaining to~~ a program for conversion of raw stockpile materials for immediate usefulness; to Government Operations Committee.
27. STATEHOOD. H. R. 12500, by Rep. Dellay, and H. R. 12502, by Rep. Libonati, to provide for the admission of the State of Alaska into the Union; to Interior and Insular Affairs Committee.
28. TRADE AGREEMENTS. H. R. 12511, by Rep. Simpson, Pa., H. R. 12512, by Rep. Don S. C., H. R. 12513, by Rep. Davis, Ga., and H. R. 12514, by Rep. Bailey, to extend for 2 years the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended; to Ways and Means Committee.

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COMMITTEE HEARINGS ANNOUNCEMENTS:

- May 15: Amendments to peanut allotments legislation, H. Agriculture (Miller, Manwaring, and Thigpen, CSS, to testify).
Self-help dairy stabilization bills, H. Agriculture.
Public works appropriations, S. Appropriations and H. Appropriations (exec).
Foreign aid appropriations, H. Appropriations (exec).
Federal employee training bills, H. Post Office and Civil Service.
Extension of trade agreements authority, H. Ways and Means (exec).
Relationship of prices to economic stability and growth, Jt. Economic Committee.
Klamath Indian land bills, H. Interior and Insular Affairs.
- May 16: Review of USDA water resources work, S. Interior (Phillips, SCS, to testify).

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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 20, 1958
For actions of May 19, 1958
85th-2d, No. 78

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HIGHLIGHTS: Senate committee reported bill to amend Federal Seed Act. House committee reported Commerce appropriation bill. Rep. Dixon urged transfer of certain functions under Packers and Stockyards Act.

HOUSE

1. FORESTRY. Passed as reported H. R. 6198, to authorize the Secretary of the Interior, with the approval of the Secretary of Agriculture, to exclude not more than 10 acres of land from the Sequoia National Park to become a part of the Sequoia National Game Refuge within the Sequoia National Forest. p. 8053
2. LIVESTOCK DISEASES. Passed without amendment H. R. 12126, to extend to wild animals the same prohibition against entry into the U. S. as domestic animals from any country where rinderpest or foot-and-mouth disease exists. pp. 8051-52
3. COPYRIGHTS. Passed as reported H. R. 8419, to provide a legal remedy for owners of copyrights against infringements by the Government. pp. 8048-49
4. APPROPRIATIONS. The Appropriations Committee reported without amendment H. R. 12540, the Commerce and related agencies appropriation bill for 1959 (H. Rept. 1725). p. 8101
Conferees were appointed on H. R. 10746, the Interior and related agencies appropriation bill for 1959, including the Forest Service. Senate conferees were appointed Apr. 30. p. 8042

The "Daily Digest" states that "conferees continued, in executive session, to resolve the differences between the Senate- and House-passed versions of H. R. 11767, fiscal 1959 appropriations for the Department of Agriculture and Farm Credit Administration, but did not conclude their work and recessed subject to call of the chair." p. D434

5. WHEAT. The "Daily Digest" states as follows: "Committee on Agriculture: Subcommittee on Wheat met in executive session and recommended to the full committee that provisions of H. R. 12112 (amended) be made into a committee print for inclusion in an omnibus farm bill." The bill provides for the establishment of a domestic parity plan for wheat. p. D433
6. MEATPACKERS. Rep. Dixon spoke in favor of the transfer of certain functions under the Packers and Stockyards Act to the Federal Trade Commission, and stated that he intended to offer the language of S. 1356, as passed by the Senate, for H. R. 9020 when this legislation is considered by the House. p. 8062
7. TVA. Rep. Evins, and others, spoke in commemoration of the 25th anniversary of the TVA, and praised the work of the agency. pp. 8070-78
8. FEDERAL-STATE RELATIONSHIPS. Rep. Cramer discussed Federal-State relationships, and stated that "we ... must make an about face and return federally usurped authorities and responsibilities to the States." pp. 8078-85

SENATE

9. THE AGRICULTURE AND FORESTRY COMMITTEE reported the following bills:
 - S. 1939, without amendment, to amend the Federal Seed Act (S. Rept. 1590);
 - H. R. 6765, without amendment, to repeal the prohibition against cotton acreage reports based on farmers' planting intentions (S. Rept. 1591);
 - S. 3076, without amendment, to authorize the transportation in the U. S. of live foot-and-mouth disease virus for research purposes (S. Rept. 1589).p. 7977
10. WEED CONTROL. The Agriculture and Forestry Committee reported an original bill S. 3861, providing for the control of noxious weeds on Federal lands (in lieu of S. 672 and S. 2490) (S. Rept. 1588). p. 7979
11. SALINE WATER. The Interior and Insular Affairs Committee reported with amendment S. J. Res. 135, to authorize the Interior Department to construct and operate a salt-water conversion demonstration plant (S. Rept. 1593). Sens. Anderson and Wiley commented on the bill. pp. 7977-9
12. WILDLIFE; INSECTICIDES. The Interstate and Foreign Commerce Committee reported with amendments S. 2447, to authorize studies of the effects of insecticides upon fish and wildlife (S. Rept. 1592). p. 7977
13. RECLAMATION. Passed without amendment H. R. 6940, to reimburse owners of lands acquired under the Federal reclamation laws for their moving expenses. This bill will now be sent to the President. pp. 8020-8038
14. MINING. Passed as reported S. 3199, to provide that the period for doing annual assessment work on unpatented mineral claims would be from Aug. 15 to Aug. 15, commencing in 1959. pp. 8038-9

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 27, 1958
For actions of May 26, 1958
85th-2d, No. 83

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HIGHLIGHTS: House received conference report on agricultural appropriation bill. Senate agreed to conference report on Interior appropriation bill. House committee reported bill to permit transfer of cotton allotments due to excessive rainfall. Senate committee reported bill to fix price support on extra-long staple cotton at 60 to 75 percent of parity. Rep. Thomson, and others, commended administration farm program. Senate committee reported mutual security authorization bill. House debated Alaska statehood bill.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL FOR 1959. Received the conference report on this bill, H. R. 11767 (H. Rept. 1776). (pp. 8482-83, 8530) At the end of this Digest is a summary of the actions of the conferees.
2. COTTON ALLOTMENTS. The Agriculture Committee reported with amendment H. R. 12602, to permit the transfer of 1958 farm acreage allotments for cotton in the case of natural disasters (H. Rept. 1772). p. 8530
3. SURPLUS FOODS. The Agriculture Committee reported with amendment H. R. 12164, to permit the donation of surplus foods to nonprofit summer camps for children (H. Rept. 1774). p. 8530
4. STATEHOOD. Continued debate on H. R. 7999, the Alaska statehood bill. pp. 8484-8521

5. FARM PROGRAM. Rep. Thomson commended administration farm policies, discussed recent improvements in various segments of agriculture, and stated "the situation today again proves that price supports at high levels are not in the best interests of agriculture." Other Representatives joined him in commending present policies. pp. 8524-28
6. ECONOMIC CONDITIONS. Rep. Vursell discussed current economic conditions and stated "we should face up to our responsibility, and stop wage and price inflation before this session of Congress adjourns." pp. 8522-24
7. SMALL BUSINESS. Rep. Patman inserted a letter from Gov. McFarland, Ariz., favoring legislation to establish a small business capital bank system. pp. 8528-28

SENATE

8. APPROPRIATIONS. Agreed to the conference report on H. R. 10746, the Interior appropriation bill for 1959. For information regarding Forest Service items, see Digest 80. This bill will now be sent to the President. pp. 8445-7
9. AGRICULTURE AND FORESTRY Committee reported the following bills:
 - Without amendment, H. R. 11399, to authorize the Secretary to set the level of price support for extra long-staple cotton at between 60 and 75 percent of parity (S. Rept. 1628);
 - With amendments, H. R. 376, to prohibit trading in onion futures on commodity exchanges (S. Rept. 1631);
 - Without amendment, H. R. 7953, to facilitate and simplify the work of the Forest Service (S. Rept. 1629); and
 - Without amendment, H. R. 5497, to authorize Federal assistance for certain fish and wildlife development projects under the Watershed Protection and Flood Prevention Act (S. Rept. 1630). p. 8419
10. FOREIGN AID. The Foreign Relations Committee reported with amendment H. R. 12181, the mutual security authorization bill for 1958 (S. Rept. 1627). pp. 8419-20
 - Sen. Proxmire submitted and discussed three amendments to the foreign aid bill to bar all aid to Yugoslavia, the Dominican Republic, and Saudi Arabia. p. 8424
 - Sen. Morse discussed the mutual security authorization bill, urged it be strengthened, and announced that his proxy vote for Sen. Long did not indicate that Sen. Long favored the bill. pp. 8450-1
 - Sen. Wiley urged passage of the mutual security authorization bill and inserted his radio speech in favor of the bill. pp. 8451-2
 - Sen. Morse obtained unanimous consent to file his minority views and have them printed as part of the Senate report on the mutual security authorization bill. He urged that the bill be amended to contain more loans and fewer grants. pp. 8471-3
 - Received from the President the 13th semiannual report on the operations of the mutual security program (H. Doc. 368). p. 8417
 - Received from the Comptroller General an audit report on the Economic and Technical Assistance Program for Vietnam as conducted by ICA from 1955 to 1957. p. 8418
11. IMPORTS. Passed as reported H. R. 6006, to provide for greater certainty, speed, and efficiency in the enforcement of the Antidumping Act. pp. 8455-6

cost for persons selected for appointment to certain positions. H. Government Operations Committee.

36. ALCOHOL. H. R. 10514, 11189, 11753, to provide for the transfer to this Department of certain alcohol-producing facilities. H. Agriculture Committee.
37. MILK. H. R. 7794 and 9286, to establish standards of identity, sanitation, and sanitation practices for the production and sale of fluid milk and fluid milk products. H. Interstate and Foreign Commerce Committee.
38. RECLAMATION. S. 1887, to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, Calif. H. Interior and Insular Affairs Committee.
39. ROADS. H. R. 9821, proposed Federal-Aid Highway Act of 1958. H. Public Works Committee.
40. APPROPRIATIONS. Department of Defense appropriations for 1959: (1) procurement, supply, and surplus operations and (2) advanced research projects, language changes, and miscellaneous items. H. Appropriations Committee.

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COMMITTEE HEARINGS ANNOUNCEMENTS:

May 27: Proposals on peanut supports and allotments, H. Agriculture (Thigpen and Miller, CSS, to testify).

Long-range farm program, S. Agriculture (Nat. Assoc. of Wheat Growers to testify).
H. Agriculture subcommittee on cotton (exec).

Recognition of Federal employee organizations, H. Post Office and Civil Service.
May 28: Requests for additional supergrades and other high-level positions, H. Post Office and Civil Service (Roberts to testify).

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UNITED STATES DEPARTMENT OF AGRICULTURE

Department of Agriculture and Farm Credit
Administration Appropriation Bill, 1959

Conference Report (H. Report No. 1776)

Excerpts from Statement of the Managers on the Part of the House

"Agricultural Research Service

Amendment No. 1. Research: Appropriates \$59,044,890 instead of \$58,444,890 as proposed by the House and \$59,362,390 as proposed by the Senate. It is intended by the conferees that all items earmarked in both the House and Senate reports shall be carried out by the Department during the coming fiscal year. The full amounts proposed for each project are approved with the following adjustments: \$100,000 additional above the amount earmarked by the House for rust research on cereals; a total of \$125,000 for cold-hardiness research on citrus; and a total of \$25,000 for research on hotspot conditions in the Lower Rio Grande Valley.

Amendment No. 2. Plant and animal disease and pest control: Appropriates \$47,132,000 as proposed by the Senate instead of \$41,732,000 as proposed by the House. The conferees are in full agreement that no funds shall be expended by the Department for eradication of the screwworm unless and until fully matched by the States in which such program is carried out.

Amendment No. 3. Meat inspection: Appropriates \$17,326,000 as proposed by the Senate instead of \$24,326,000 as proposed by the House. The conferees have agreed that the new mandatory poultry inspection service may be located under the Agricultural Marketing Service, at the discretion of the Secretary. The conferees feel, however, that the Secretary should give attention to setting up a new combined inspection service or should take such other steps as may be necessary to prevent the creation of duplicate offices and supervisory personnel for the meat inspection work and the poultry inspection activity. In this connection the conferees direct that additional supervisory personnel in Washington and the field for these activities be held at an absolute minimum and that no new area or district offices be created for either service."

"Agricultural conservation program

Amendment No. 8. Reported in disagreement: The managers on the part of the House intend to offer a motion to recede and concur with the Senate amendment with perfecting language to require that the 1959 program remain the same as the 1957 and 1958 programs. Most states followed the language contained in last year's conference report directing that no changes be made in the 1958 program to restrict eligibility requirements or delete cost-sharing practices included in the 1957 program. Since a few states made changes in the 1958 program despite such directive, the conferees have agreed to language in the accompanying bill which will restore any such changes and will make certain that future changes are made only upon the recommendation of the County Committee concerned.

Agricultural Marketing Service

Amendment No. 9. Marketing research and agricultural estimates: Appropriates \$14,195,000 instead of \$14,095,000 as proposed by the House and \$14,287,000 as proposed by the Senate. The increase is provided to extend the quarterly Cattle and Feed Reports to thirteen additional states. No funds are provided for monthly interim statistics. The conferees have received some complaints concerning the accuracy of the quarterly reports. They request that this matter be studied by the Department and reports of findings be provided to the Committees on Appropriations of both Houses.

Amendment No. 10. Marketing services: Appropriates \$20,659,000 instead of \$14,097,000 as proposed by the House and \$21,272,000 as proposed by the Senate. The increase includes \$6,500,000 for poultry inspection, \$42,000 for extension of wholesale meat reports and market-news services, as set forth in the Senate report, and \$20,000 for strengthening wool standardization and grading work.

Amendments Nos. 11 and 12. School-lunch program: Amendment No. 11 appropriates \$110,000,000 instead of \$100,000,000 as proposed by the House and \$125,000,000 as proposed by the Senate. Amendment No. 12 restores House language authorizing the transfer of section 32 funds for the purchase of food for use in the school-lunch program; for this purpose the amount of \$35,000,000 is provided instead of \$55,000,000 as proposed by the House.

Soil bank programs

Amendment No. 13. Conservation reserve program: Appropriates \$200,000,000 as proposed by the Senate instead of \$250,000,000 as proposed by the House. The reduction is based on final figures indicating total sign-ups of \$71,468,000 for the 1958 program.

Amendments Nos. 14 and 15. Conservation reserve program: Authorizes \$16,000,000 for administrative expenses instead of \$15,000,000 as proposed by the House and \$17,000,000 as proposed by the Senate, and provide \$12,750,000 for county committee expenses instead of \$12,000,000 as proposed by the House and \$13,500,000 as proposed by the Senate.

Amendment No. 17: Conservation reserve program: Reported in disagreement."

"Farmers' Home Administration

Amendment No. 21. Loan authorizations: Establishes a contingency fund of \$20,000,000 as proposed by both Houses, with not to exceed \$5,000,000 for farm ownership loans under title I of the Bankhead-Jones Farm Tenant Act and the balance for farm operating loans under Title II of that Act.

Office of the General Counsel

Amendment No. 22. Salaries and expenses: Appropriates \$2,968,000 instead of \$2,943,000 as proposed by the House and \$3,043,000 as proposed by the Senate. The additional \$25,000 is for legal work related to the new mandatory poultry inspection work of the Department.

Commodity Credit Corporation

The conferees have considered statements contained in the reports of the two committees, particularly comments relative to "cotton and other export subsidy programs." They are in full agreement that it is the responsibility of the Committees on Appropriations of the House and Senate to review activities of the Department of Agriculture under all existing laws for which appropriations are proposed by the executive branch or are considered by the Congress. In carrying out this responsibility, they recognize that it is within the jurisdiction of such committees to recommend approval or disapproval of appropriations and to make comments and recommendations with regard to such programs and activities.

In connection with the comments of the House committee on the export policies of the Department, the conferees would point out that, were it not for exports, American agriculture literally would smother in its own production. Sixty million acres of cropland -- 1 out of every 5 -- produce for export. The large flow of agricultural products to customers overseas not only provides additional farm income but also eases the pressure of supplies on the domestic market and strengthens prices.

In the 1956-57 marketing year the United States exported over \$1 billion of cotton, \$400 million of tobacco, \$196 million of soybeans, \$190 million of rice, \$350 million of feed grains, \$231 million of dairy products, \$46 million of poultry products, \$405 million of fats and oils, \$230 million of fruits, and \$958 million of wheat.

In the handling of Commodity Credit Corporation operations, including the export program it is to be noted that payments to the trade for such things as storage, handling and transportation costs, including any exorbitant profits, in fact, all costs or losses of the Commodity Credit, add to the costs to the Treasury and increase appropriations. Further, they are charged against the farm program, and are frequently used as arguments against farm programs, though, of course, such expenditures do not go to the farmer. These facts make it essential that the Committees on Appropriations maintain a continuing review of Departmental activities to see that unnecessary expenditures are not made and unnecessary losses are not incurred due to the failure of the United States to retain its fair share of world markets.

The conferees point out that the Commodity Credit Corporation has full authority to sell farm commodities in world trade on a competitive basis and would call attention to the large increase in American exports for dollars which have occurred with the use of such authority in the past several years. The conferees take note of the fact that the Department has announced, with reference to cotton, that in the future the authority to sell competitively for dollars through normal trade channels will be maintained concurrently with a program of payment of an export subsidy in kind.

It is the opinion of the conferees that, in order to retain for the United States its fair share of world markets, all authority of law should be used to the fullest extent necessary to keep United States farm commodities

offered in world trade at competitive prices. Officials of the Commodity Credit Corporation, in the interest of the Government and of the farm programs, in keeping farm commodities available in world trade at competitive prices, should make every effort to obtain the largest return for such commodities with the minimum of cost."

UNITED STATES DEPARTMENT OF AGRICULTURE

Department of Agriculture and Farm Credit Administration Appropriation Act, 1959

Summary of Appropriations and REA and FHA Loan Authorizations, 1959, Compared with Appropriations and Loan Authorizations, 1958, and Budget Estimates, 1959

[Amounts for 1958 include all supplemental appropriations to date; Budget Estimates, 1959, contain Budget Amendments included in H. Doc. 351.]

Agency or Item	:Appropriations :and Loan :Authorizations, :1958	:Budget :Estimates, :1959	:Appropriations, :1959	:Increase (+) or Decrease (-),	
				:Appropriations, 1959	
				:Compared with	
				:Appropriations, :and Loan :Authorizations, :1958	:Budget :Estimates, :1959
ANNUAL APPROPRIATIONS FOR REGULAR ACTIVITIES:					
Agricultural Research Service:					
Research	\$57,801,140:	\$60,744,890:	\$59,044,890:	+\$1,243,750:	-\$1,700,000
Plant and animal disease and pest control					
Meat inspection	30,082,000:	42,132,000:	47,132,000:	+17,050,000:	+5,000,000
State Experiment Stations (principally payments to States)	16,826,000:	17,326,000:	17,236,000:	+410,000:	-90,000
Extension Service (principally payments to States)	30,603,708:	30,603,708:	31,803,708:	+1,200,000:	+1,200,000
Soil Conservation Service	60,235,540:	60,159,395:	63,159,395:	+2,923,855:	+3,000,000
Agricultural Conservation Program Service	121,615,000:	124,615,000:	128,615,000:	+7,000,000:	+4,000,000
Agricultural Marketing Service: Marketing research and service, and payments to States	232,000,000:	235,000,000:a/	235,000,000:	+3,000,000:	- -
School lunch program					
Foreign Agricultural Service	30,851,600:	36,452,000:	36,014,000:	+5,162,400:	-438,000
Soil Bank Programs:	100,000,000:	100,000,000:b/	110,000,000:	+10,000,000:	+10,000,000
Conservation reserve	4,002,300:	4,002,300:	4,002,300:	- -	- -
Acreage reserve					
Commodity Stabilization Service:	162,940,000:	350,000,000:c/	200,000,000:	+37,060,000:	-150,000,000
Acreage allotments and marketing quotas	600,250,000:	330,000,000:	330,000,000:	-270,250,000:	- -
Sugar Act program					
Federal Crop Insurance Corporation:	40,715,000:	39,715,000:	39,715,000:	-1,000,000:	- -
Operating and administrative expenses	67,662,500:	76,000,000:	76,000,000:	+8,337,500:	- -
	6,376,700:	6,376,700:	6,376,700:	- -	- -

Agency or Item	Appropriations and Loan Authorizations, 1958	Budget Estimates, 1959	Appropriations, 1959	Increase (+) or Decrease (-),	
				Appropriations, 1959	
				Compared with	
				Appropriations: and Loan	Budget Estimates, 1959
Rural Electrification Administration (Salaries and expenses)	9,030,950:	9,019,000:	9,019,000:	-11,950:	- -
Farmers' Home Administration (Salaries and expenses)	29,089,500:	29,089,500:	29,089,500:	- -	- -
All other	9,153,160:	9,253,160:	9,178,160:	+25,000:	-75,000
Total, Annual Appropriations for Regular Activities	1,609,235,098:	1,560,488,653:	1,431,385,653:	-177,849,445:	-129,103,000
RESTORATION OF CAPITAL IMPAIRMENT, COMMODITY CREDIT CORPORATION	1,239,788,671:	1,760,399,886:	1,760,399,886:	+520,611,215:	- -
CORPORATE ADMINISTRATIVE EXPENSE LIMITATION: COMMODITY CREDIT CORPORATION	35,398,000:	36,100,000:	35,398,000:	- -	-702,000
PERMANENT APPROPRIATIONS:					
Removal of surplus agricultural com- modities (30 percent of customs receipts)	220,878,158:	232,500,000:	232,500,000:	+11,621,842:	- -
National Wool Act	29,671,679:	30,000,000:	30,000,000:	+328,321:	- -
All other permanent appropriations	662,000:	679,600:	679,600:	+17,600:	- -
Total, Permanent Appropriations	251,211,837:	263,179,600:	263,179,600:	+11,967,763:	- -
LOAN AUTHORIZATIONS:					
Rural Electrification Administration loans:					
Rural electrification	d/ 179,000,000:e/	150,000,000:f/	317,000,000:	+138,000,000:	+167,000,000
Rural telephone	g/ 60,000,000:h/	56,000,000:f/	67,500,000:	+7,500,000:	+11,500,000
Total, Rural Electrification Administration	239,000,000:	206,000,000:	384,500,000:	+145,500,000:	+178,500,000

Agency or Item	: :Appropriations : and Loan : Authorizations, : 1958	: : Budget : Estimates, : 1959	: : Appropriations, : 1959	: : Appropriations : : and Loan : Budget : Authorizations, : Estimates, : 1958 : 1959	: Increase (+) or Decrease (-), : Appropriations, 1959 : Compared with
LOAN AUTHORIZATIONS - Continued:					
Farmers' Home Administration loans:	:	:	:	:	:
Farm ownership	: 24,000,000)	:	: 24,000,000:	:	:
Farm operating (Production and subsistence)	: 180,000,000)	: 175,000,000:	: 180,000,000:	:	:
Soil and water conservation	: 5,500,000)	:	: 5,500,000:	:	:
Total, Farmers' Home Administration	: 209,500,000:	: 175,000,000:i/	: 209,500,000:	:	: +34,500,000
Total, Loan Authorizations	: 448,500,000:	: 381,000,000:	: 594,000,000:	: +145,500,000:	: +213,000,000

- a/ Includes advance authorization of \$250,000 for the 1959 program, an increase of \$125,000,000 over the advance authorization proposed in the Budget Estimates.
- b/ In addition, Act provides that \$35,000,000 shall be transferred from Section 32 funds for purchases of agricultural commodities for distribution to schools.
- c/ Act includes provision limiting payments to producers in any calendar year to not to exceed \$375,000,000, a decrease of \$75,000,000 from the Budget Estimates.
- d/ Includes a reserve authorization of \$20,000,000. Including carryover of funds from prior years, it is currently estimated that loans totaling \$237,000,000 will be made in 1958.
- e/ Including carryover of funds from prior years, it is estimated that loans totaling \$175,000,000 will be made in 1959.
- f/ In addition, contingency fund of \$25,000,000 is authorized.
- g/ Includes a reserve authorization of \$10,000,000. Including carryover of funds from prior years, it is currently estimated that loans totaling \$90,000,000 will be made in 1958.
- h/ It is estimated that loans totaling \$57,100,000 will be made in 1959.
- i/ In addition, Act provides contingency fund of \$20,000,000, of which not to exceed \$5,000,000 may be used for farm ownership loans and the balance for farm operating loans.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT
ADMINISTRATION APPROPRIATION BILL, 1959

MAY 26, 1958.—Ordered to be printed

Mr. WHITTEN, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 11767]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11767) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 13, 18, 19, and 20, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$59,044,890; and the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$14,195,000; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$20,659,000; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$110,000,000; and the Senate agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows:

Restore the matter stricken out by said amendment amended to read as follows: *Provided further, That \$35,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act, such additional funds to be used for the general purposes of section 32; and the Senate agree to the same.*

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$16,000,000; and the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$12,750,000; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$375,000,000; and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows:

In lieu of the matter stricken out and inserted by said amendment insert the following: : *Provided further, That an additional amount, not to exceed \$20,000,000, may be borrowed under the same terms and conditions to the extent that such amount is required during fiscal year 1959 under the then existing conditions for the expeditious and orderly conduct of the loan programs under the Bankhead-Jones Farm Tenant Act, as amended, not to exceed \$5,000,000 of which shall be available for loans under title I and section 43 of title IV of such Act, as amended; and the Senate agree to the same.*

Amendment numbered 22:

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,968,000; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 8 and 17.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
ALFRED E. SANTANGELO,
CLARENCE CANNON,
H. CARL ANDERSEN,
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Managers on the Part of the House.

RICHARD B. RUSSELL,
CARL HAYDEN,
LISTER HILL,
A. WILLIS ROBERTSON,
ALLEN J. ELLENDER,
MILTON R. YOUNG,
KARL E. MUNDT,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11767) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH SERVICE

Amendment No. 1—*Research*: Appropriates \$59,044,890 instead of \$58,444,890 as proposed by the House and \$59,362,390 as proposed by the Senate. It is intended by the conferees that all items earmarked in both the House and Senate reports shall be carried out by the Department during the coming fiscal year. The full amounts proposed for each project are approved with the following adjustments: \$100,000 additional above the amount earmarked by the House for rust research on cereals; a total of \$125,000 for cold-hardiness research on citrus; and a total of \$25,000 for research on "hotspot" conditions in the lower Rio Grande Valley.

Amendment No. 2—*Plant and animal disease and pest control*: Appropriates \$47,132,000 as proposed by the Senate instead of \$41,732,000 as proposed by the House. The conferees are in full agreement that no funds shall be expended by the Department for eradication of the screwworm unless and until fully matched by the States in which such program is carried out.

Amendment No. 3—*Meat inspection*: Appropriates \$17,326,000 as proposed by the Senate instead of \$24,326,000 as proposed by the House. The conferees have agreed that the new mandatory poultry-inspection service may be located under the Agricultural Marketing Service, at the discretion of the Secretary. The conferees feel, however, that the Secretary should give attention to setting up a new combined inspection service or should take such other steps as may be necessary to prevent the creation of duplicate offices and supervisory personnel for the meat-inspection work and the poultry-inspection activity. In this connection the conferees direct that additional supervisory personnel in Washington and the field for these activities be held at an absolute minimum and that no new area or district offices be created for either service.

Amendments Nos. 4 and 5—*State experiment stations*: Appropriate \$31,553,708 as proposed by the Senate instead of \$30,353,708 as proposed by the House.

EXTENSION SERVICE

Amendments Nos. 6 and 7—*Payments to States, Hawaii, Alaska, and Puerto Rico*: Appropriate \$53,715,000 as proposed by the Senate instead of \$50,715,000 as proposed by the House.

AGRICULTURAL CONSERVATION PROGRAM

Amendment No. 8: Reported in disagreement. The managers on the part of the House intend to offer a motion to recede and concur with the Senate amendment with perfecting language to require that the 1959 program remain the same as the 1957 and 1958 programs. Most States followed the language contained in last year's conference report, directing that no changes be made in the 1958 program to restrict eligibility requirements or delete cost-sharing practices included in the 1957 program. Since a few States made changes in the 1958 program despite such directive, the conferees have agreed to language in the accompanying bill which will restore any such changes and will make certain that future changes are made only upon the recommendation of the county committee concerned.

AGRICULTURAL MARKETING SERVICE

Amendment No. 9—*Marketing research and agricultural estimates*: Appropriates \$14,195,000 instead of \$14,095,000 as proposed by the House and \$14,287,000 as proposed by the Senate. The increase is provided to extend the quarterly cattle and feed reports to 13 additional States. No funds are provided for monthly interim statistics. The conferees have received some complaints concerning the accuracy of the quarterly reports. They request that this matter be studied by the Department and reports of findings be provided to the Committees and Appropriations of both Houses.

Amendment No. 10—*Marketing services*: Appropriates \$20,659,000 instead of \$14,097,000 as proposed by the House and \$21,272,000 as proposed by the Senate. The increase includes \$6,500,000 for poultry inspection, \$42,000 for extension of wholesale meat reports and market news services, as set forth in the Senate report, and \$20,000 for strengthening wool standardization and grading work.

Amendments Nos. 11 and 12—*School-lunch program*: Amendment No. 11 appropriates \$110 million instead of \$100 million as proposed by the House and \$125 million as proposed by the Senate. Amendment No. 12 restores House language authorizing the transfer of section 32 funds for the purchase of food for use in the school-lunch program; for this purpose the amount of \$35 million is provided instead of \$55 million as proposed by the House.

SOIL BANK PROGRAMS

Amendment No. 13—*Conservation reserve program*: Appropriates \$200 million as proposed by the Senate instead of \$250 million as proposed by the House. The reduction is based on final figures indicating total signups of \$71,468,000 for the 1958 program.

Amendments No. 14 and 15—*Conservation reserve program*: Authorize \$16 million for administrative expenses instead of \$15 million as proposed by the House and \$17 million as proposed by the Senate, and provide \$12,750,000 for county-committee expenses instead of \$12 million as proposed by the House and \$13,500,000 as proposed by the Senate.

Amendment No. 17—*Conservation reserve program*: Reported in disagreement.

COMMODITY STABILIZATION SERVICE

Amendment No. 18—*Sugar act program*: Appropriates \$76 million as proposed by the Senate instead of \$71 million as proposed by the House.

RURAL ELECTRIFICATION ADMINISTRATION

Amendments Nos. 19 and 20—*Loan authorizations*: Authorize \$317 million for rural electrification loans as proposed by the Senate instead of \$300 million as proposed by the House; also authorize \$67,500,000 for rural telephone loans as proposed by the Senate instead of \$60 million as proposed by the House.

FARMERS HOME ADMINISTRATION

Amendment No. 21—*Loan authorizations*: Establishes a contingency fund of \$20 million as proposed by both Houses, with not to exceed \$5 million for farm-ownership loans under title I of the Bankhead-Jones Farm Tenant Act and the balance for farm operating loans under title II of that act.

OFFICE OF THE GENERAL COUNSEL

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In connection with the comments of the House committee on the export policies of the Department, the conferees would point out that, were it not for exports, American agriculture literally would smother in its own production. Sixty million acres of cropland—1 out of every 5—produce for export. The large flow of agricultural products to customers overseas not only provides additional farm income but also eases the pressure of supplies on the domestic market and strengthens prices.

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In the handling of Commodity Credit Corporation operations, including the export program, it is to be noted that payments to the trade for such things as storage, handling and transportation costs, including any exorbitant profits, in fact all costs or losses of the Commodity Credit, add to the costs to the Treasury and increase appropriations. Further, they are charged against the farm program, and are frequently used as arguments against farm programs, though, of course, such expenditures do not go to the farmer. These facts make it essential that the Committees on Appropriations maintain a continuing review of departmental activities to see that unnecessary expenditures are not made and unnecessary losses are not incurred due to the failure of the United States to retain its fair share of world markets.

The conferees point out that the Commodity Credit Corporation has full authority to sell farm commodities in world trade on a competitive basis and would call attention to the large increase in American exports for dollars which have occurred with the use of such authority in the past several years. The conferees take note of the fact that the Department has announced, with reference to cotton, that in the future the authority to sell competitively for dollars through normal trade channels will be maintained concurrently with a program of payment of an export subsidy in kind.

It is the opinion of the conferees that, in order to retain for the United States its fair share of world markets, all authority of law should be used to the fullest extent necessary to keep United States farm commodities offered in world trade at competitive prices. Officials of the Commodity Credit Corporation, in the interest of the Government and of the farm programs, in keeping farm commodities available in world trade at competitive prices, should make every effort to obtain the largest return for such commodities with the minimum of cost.

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Managers on the Part of the House.



much of the debate and uncertainty surrounds the central issue of military or civilian priorities in space research.

The administration took the first step toward organizing for the space age in January when the Defense Department announced it would create an Advanced Research Projects Agency to direct military space projects. It was not until April 1, however, that the agency acquired a director—Roy W. Johnson, former General Electric Co. vice president—and began functioning.

On April 2—almost 6 months after the first Soviet satellite was launched—the administration sent to Congress its proposal for a civilian space agency, built around the long-established National Advisory Committee for Aeronautics.

Congress is still revamping the proposal, trying to find some formula to resolve the inherent conflict between the military and civilian agencies for control of space projects.

A plan oriented in civilian research has been approved by the House Space Committee, but the legislation is still under consideration in a similar Senate space committee. It does not appear likely, therefore, that the legislation will be approved and the civilian space agency established and functioning before midsummer.

The creation of ARPA resulted in some criticism among the military research officials, who felt there already were adequate authority and resources within the Defense Department—if used—to get a space program underway. Some of this criticism has subsided now that ARPA has started to operate.

The introduction of the new space agency proposal has tended once again temporarily to complicate the organizational picture.

Under orders from the President, the civilian space projects now being handled by ARPA will be transferred to the new civilian agency. The transfer discussions over the last several weeks have run into the inevitable conflict of distinguishing between civilian and military space projects.

The compromise developing is that the civilian and military space agencies will cooperate in major projects, such as man in space and development of more powerful rocket engines.

PROBLEMS FOR A BUREAUCRAT

Superimposed on these civilian and military space agencies will be complex organizational lines of authority that only the experienced bureaucrat can follow.

Mr. Johnson's agency, for instance, must coordinate with the Defense Department Guided Missile Office to obtain ballistic missiles for launching space vehicles—another possible point of conflict since the inevitable priority will go to military use of the missiles.

The Johnson agency also must coordinate its overall plans with the Defense Department Director of Research. Then the plans, for approval, must go up through the Secretary of Defense's Office and over to Dr. Killian and the Budget Bureau for approval.

Among the few new space projects to go through this organizational mill and come out approved are the Air Force and Army proposal for lunar probe rockets.

As Dr. Herbert F. York, the chief scientist of ARPA, commented to a House committee recently, this program "has been firmly authorized by everybody that we are aware of that has to authorize it."

There are growing complaints from the military that space proposals submitted in

the immediate months after the first Soviet satellite still have not been approved.

FOUR-MONTH ROCKET PLAN WAITS

For instance, there has been no firm decision reached, and funds made available to proceed with the development of a rocket engine with 1 million pounds thrust—a proposal made by the Air Force some 4 months ago.

Development of such an engine—which would be six times more powerful than presently available engines—is generally regarded as the first key step in any long-range space program. It is only with such an engine that the United States can hope to leapfrog the Russians with bigger and better satellites and space vehicles.

For the moment the Soviet Union has the advantage that it not only started development of military ballistic missiles earlier, but also developed more powerful rocket engines to carry its heavier atomic warheads.

It will be late this year before United States intermediate range ballistic missiles, capable of launching satellites weighing several hundred pounds, become available for space exploration. It will be 1960 at the earliest before intercontinental ballistic missiles will be available for launching scientific satellites and space vehicles weighing a ton or more.

The Agency's answer to these military complaints of inaction is that in its short existence it has not had a chance to evaluate and decide upon the many and often competing space proposals before it. As Mr. Johnson and Dr. York recently told Congress, it probably will take several months to evaluate the proposals and 8 months to get up "a full head of steam."

Many of the hundred or so space proposals before the Agency have gone through extensive evaluation previously while the space program was being temporarily handled by the Defense Department's Guided Missile Office. The projects were reviewed in January by the special capabilities panel headed by Homer J. Stewart—the same committee that in 1955 recommended that the satellite program be given to the Navy's project Vanguard.

The Guided Missiles Office, however, was reluctant to make any extensive commitments on the various space proposals for fear of tying the hands of the new agency, then in the process of creation.

In the last several weeks, Mr. Johnson's Agency has drafted a tentative space program for the fiscal year beginning July 1. The Agency, which thus far has been operating on emergency funds supplied by the Defense Department, is asking \$520 million in appropriations, of which it plans to spend some \$250 million during the coming fiscal year.

As tentatively earmarked by ARPA, more than half of its appropriation—some \$309,400,000—will go for the development of a missile defense against ballistic missiles and for a military reconnaissance satellite project of the Air Force known as Pied Piper.

TWO HUNDRED AND TEN MILLION FOR SPACE

Some \$210 million would go for space projects. It has tentatively allocated \$138 million for such space developments as man-in-space research; a 1-million-pound-thrust engine; communications, weather, and navigational satellites, satellite-tracking systems, and satellite instrumentation and power sources.

The remaining \$72 million would go for the already approved projects to shoot five rock-

ets to the vicinity of the moon with instrumentation so they could measure the moon's magnetism and photograph its far side, and for a continuing scientific satellite program.

Even for this tentative program of space research it is conceded by Mr. Johnson that the funds requested are inadequate and that there will have to be further screening to pick out the higher priority projects.

For the Pied Piper project, for instance, \$50 million less is being requested than proposed by the Air Force. The program involves \$15 million for development of the 1 million-pound thrust engine—a 5-year project estimated to cost at least \$200 million.

As is Mr. Johnson's agency, the new civilian space agency is still in the process of justifying its projects to the Killian committee and the Bureau of the Budget. Its tentative plans call for spending \$100 million in the coming fiscal year and to build up to a \$1,300 million level in 3 years.

Indicative of this organizational problem is the difficulty the new space agency encountered in obtaining its budget. At first the Budget Bureau said it could not consider the budget of an agency not yet created. It relented after it was pointed out that if the budget was not prepared now, the space agency would have to wait until next year to obtain appropriations from Congress.

In the view of many of the officials interviewed, this deliberate pace of preparations for the space race reflects the apathy about Soviet space developments that permeates Congress, the administration, and the public—an apathy that was not shattered when the Soviet Union launched last week its third satellite weighing 2,900 pounds.

ADJOURNMENT

Mr. MORTON. Mr. President, I move that the Senate adjourn.

The motion was agreed to; and (at 4 o'clock and 44 minutes p. m.) the Senate adjourned until tomorrow, Tuesday, May 27, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 26, 1958:

UNITED STATES MARSHAL

Frank Charles, of Tennessee, to be United States marshal for the eastern district of Tennessee for the term of 4 years. He is now serving in this office under an appointment which expired March 9, 1958.

IN THE NAVY

Adm. Felix B. Stump, United States Navy, to be placed on the retired list with the rank of admiral under the provisions of title 10, United States Code, section 5233.

Vice Adm. James S. Russell, United States Navy, to be Vice Chief of Naval Operations in the Department of the Navy under the provisions of title 10, United States Code, section 5085.

Having designated, under the provisions of title 10, United States Code, section 5231, Vice Adm. James S. Russell, United States Navy, for commands and other duties determined by the President to be within the contemplation of said section, I nominate him to have the grade, rank, pay and allowances of admiral while so serving.

House of Representatives

MONDAY, MAY 26, 1958

The House met at 12 o'clock noon.

The Reverend Ernest A. deBordenave, D. D. Emmanuel Episcopal Church, Middleburg, Va., offered the following prayer:

O God, behold the Members of this Congress.

They are called upon to make fateful decisions that affect the life of all mankind, while they themselves are prideful, self-centered sinners like everybody else. Theirs is a great opportunity but an awful responsibility. Surely, they need Thy help.

Keep them humble by the knowledge that Thou art the final ruler in human history. Guide them by the knowledge that Thy justice is the measure of Thy demand upon their decisions.

Give them fortitude to accept what cannot be changed, courage to change what they ought to change, and wisdom to know the one from the other. Amen.

THE JOURNAL

The Journal of the proceedings of Friday, May 23, 1958, was read and approved.

REPORT ON AGRICULTURE APPROPRIATION BILL

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a conference report on the agricultural appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

(The conference report and statement follow:)

CONFERENCE REPORT (H. REPT. NO. 1776)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11767) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 13, 18, 19, and 20, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$59,044,890"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amend-

ment insert "\$14,195,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$20,659,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$110,000,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows: "Provided further, That \$35,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act, such additional funds to be used for the general purposes of section 32"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$16,000,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$12,750,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$375,000,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert the following: "Provided further, That an additional amount, not to exceed \$20,000,000, may be borrowed under the same terms and conditions to the extent that such amount is required during fiscal year 1959 under the then existing conditions for the expeditious and orderly conduct of the loan programs under the Bankhead-Jones Farm Tenant Act, as amended, not to exceed \$5,000,000 of which shall be available for loans under Title I and section 43 of Title IV of such Act, as amended"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said

amendment insert "\$2,968,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 8 and 17.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
ALFRED E. SANTANGELO,
CLARENCE CANNON,
H. CARL ANDERSEN,
WALT HORAN,
C. W. VURSELL,
JOHN TABER,

Managers on the Part of the House.

RICHARD B. RUSSELL,
CARL HAYDEN,
LISTER HILL,
A. WILLIS ROBERTSON,
ALLEN J. ELLENDER,
MILTON R. YOUNG,
KARL E. MUNDT,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11767) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF AGRICULTURE

Agricultural Research Service

Amendment No. 1. Research: Appropriates \$59,044,890 instead of \$58,444,890 as proposed by the House and \$59,362,390 as proposed by the Senate. It is intended by the conferees that all items earmarked in both the House and Senate reports shall be carried out by the Department during the coming fiscal year. The full amounts proposed for each project are approved with the following adjustments: \$100,000 additional above the amount earmarked by the House for rust research on cereals; a total of \$125,000 for cold-hardiness research on citrus; and a total of \$25,000 for research on hot-spot conditions in the Lower Rio Grande Valley.

Amendment No. 2. Plant and animal disease and pest control: Appropriates \$47,132,000 as proposed by the Senate instead of \$41,732,000 as proposed by the House. The conferees are in full agreement that no funds shall be expended by the Department for eradication of the screwworm unless and until fully matched by the States in which such program is carried out.

Amendment No. 3. Meat inspection: Appropriates \$17,326,000 as proposed by the Senate instead of \$24,326,000 as proposed by the House. The conferees have agreed that the new mandatory poultry inspection service may be located under the Agricultural Marketing Service, at the discretion of the Secretary. The conferees feel, however, that the Secretary should give attention to setting up a new combined inspection service or should take such other steps as may be necessary to prevent the creation of duplicate offices and supervisory personnel for the meat inspection work and the poul-

try inspection activity. In this connection, the conferees direct that additional supervisory personnel in Washington and the field for these activities be held at an absolute minimum and that no new area or district offices be created for either service.

Amendments Nos. 4 and 5. State experiment stations: Appropriate \$31,553,708 as proposed by the Senate instead of \$30,353,708 as proposed by the House.

Extension Service

Amendments Nos. 6 and 7. Payments to States, Hawaii, Alaska, and Puerto Rico: Appropriate \$53,715,000 as proposed by the Senate instead of \$50,715,000 as proposed by the House.

Agricultural conservation program

Amendment No. 8. Reported in disagreement: The managers on the part of the House intend to offer a motion to recede and concur with the Senate amendment with perfecting language to require that the 1959 program remain the same as the 1957 and 1958 programs. Most states followed the language contained in last year's conference report directing that no changes be made in the 1958 program to restrict eligibility requirements or delete cost-sharing practices included in the 1957 program. Since a few states made changes in the 1958 program despite such directive, the conferees have agreed to language in the accompanying bill which will restore any such changes and will make certain that future changes are made only upon the recommendation of the County Committee concerned.

Agricultural Marketing Service

Amendment No. 9. Marketing research and agricultural estimates: Appropriates \$14,195,000 instead of \$14,095,000 as proposed by the House and \$14,287,000 as proposed by the Senate. The increase is provided to extend the quarterly Cattle and Feed Reports to thirteen additional states. No funds are provided for monthly interim statistics. The conferees have received some complaints concerning the accuracy of the quarterly reports. They request that this matter be studied by the Department and reports of findings be provided to the Committees on Appropriations of both Houses.

Amendment No. 10. Marketing services: Appropriates \$20,659,000 instead of \$14,097,000 as proposed by the House and \$21,272,000 as proposed by the Senate. The increase includes \$6,500,000 for poultry inspection, \$42,000 for extension of wholesale meat reports and market-news services, as set forth in the Senate report, and \$20,000 for strengthening wool standardization and grading work.

Amendments Nos. 11 and 12. School-lunch program: Amendment No. 11 appropriates \$110,000,000 instead of \$100,000,000 as proposed by the House and \$125,000,000 as proposed by the Senate. Amendment No. 12 restores House language authorizing the transfer of section 32 funds for the purchase of food for use in the school-lunch program; for this purpose the amount of \$35,000,000 is provided instead of \$55,000,000 as proposed by the House.

Soil bank programs

Amendment No. 13. Conservation reserve program: Appropriates \$200,000,000 as proposed by the Senate instead of \$250,000,000 as proposed by the House. The reduction is based on final figures indicating total sign-ups of \$71,468,000 for the 1958 program.

Amendments Nos. 14 and 15. Conservation reserve program: Authorizes \$16,000,000 for administrative expenses instead of \$15,000,000 as proposed by the House and \$17,000,000 as proposed by the Senate, and provide \$12,750,000 for county committee expenses instead of \$12,000,000 as proposed by the House and \$13,500,000 as proposed by the Senate.

Amendment No. 17: Conservation reserve program: Reported in disagreement.

Commodity Stabilization Service

Amendment No. 18. Sugar Act program: Appropriates \$76,000,000 as proposed by the Senate instead of \$71,000,000 as proposed by the House.

Rural Electrification Administration

Amendments Nos. 19 and 20. Loan authorizations: Authorize \$317,000,000 for rural electrification loans as proposed by the Senate instead of \$300,000,000 as proposed by the House; also authorize \$67,500,000 for rural telephone loans as proposed by the Senate instead of \$60,000,000 as proposed by the House.

Farmers' Home Administration

Amendment No. 21. Loan authorizations: Establishes a contingency fund of \$20,000,000 as proposed by both Houses, with not to exceed \$5,000,000 for farm ownership loans under title I of the Bankhead-Jones Farm Tenant Act and the balance for farm operating loans under Title II of that Act.

Office of the General Counsel

Amendment No. 22. Salaries and expenses: Appropriates \$2,968,000 instead of \$2,943,000 as proposed by the House and \$3,043,000 as proposed by the Senate. The additional \$25,000 is for legal work related to the new mandatory poultry inspection work of the Department.

Commodity Credit Corporation

The conferees have considered statements contained in the reports of the two committees, particularly comments relative to "cotton and other export subsidy programs." They are in full agreement that it is the responsibility of the Committees on Appropriations of the House and Senate to review activities of the Department of Agriculture under all existing laws for which appropriations are proposed by the executive branch or are considered by the Congress. In carrying out this responsibility, they recognize that it is within the jurisdiction of such committees to recommend approval or disapproval of appropriations and to make comments and recommendations with regard to such programs and activities.

In connection with the comments of the House committee on the export policies of the Department, the conferees would point out that, were it not for exports, American agriculture literally would smother in its own production. Sixty million acres of cropland—1 out of every 5—produce for export. The large flow of agricultural products to customers overseas not only provides additional farm income but also eases the pressure of supplies on the domestic market and strengthens prices.

In the 1956-57 marketing year the United States exported over \$1 billion of cotton, \$400 million of tobacco, \$196 million of soybeans, \$190 million of rice, \$350 million of feed grains, \$231 million of dairy products, \$46 million of poultry products, \$405 million of fats and oils, \$230 million of fruits, and \$958 million of wheat.

In the handling of Commodity Credit Corporation operations, including the export program it is to be noted that payments to the trade for such things as storage, handling and transportation costs, including any exorbitant profits, in fact, all costs or losses of the Commodity Credit, add to the costs to the Treasury and increase appropriations. Further, they are charged against the farm program, and are frequently used as arguments against farm programs, though, of course, such expenditures do not go to the farmer. These facts make it essential that the Committees on Appropriations maintain a continuing review of Departmental activities to see that unnecessary expenditures are not made and unnecessary losses are not incurred due to the failure of the United

States to retain its fair share of world markets.

The conferees point out that the Commodity Credit Corporation has full authority to sell farm commodities in world trade on a competitive basis and would call attention to the large increase in American exports for dollars which have occurred with the use of such authority in the past several years. The conferees take note of the fact that the Department has announced, with reference to cotton, that in the future the authority to sell competitively for dollars through normal trade channels will be maintained concurrently with a program of payment of an export subsidy in kind.

It is the opinion of the conferees that, in order to retain for the United States its fair share of world markets, all authority of law should be used to the fullest extent necessary to keep United States farm commodities offered in world trade at competitive prices. Officials of the Commodity Credit Corporation, in the interest of the Government and of the farm programs, in keeping farm commodities available in world trade at competitive prices, should make every effort to obtain the largest return for such commodities with the minimum of cost.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
ALFRED E. SANTANGELO,
CLARENCE CANNON,
H. CARL ANDERSEN,
WALT HORAN,
C. W. VURSELL,
JOHN TABER,

Managers on the Part of the House.

THE LATE WILLIAM K. HUTCHINSON

(Mr. MARTIN asked and was given permission to address the House for 1 minute.)

Mr. MARTIN. Mr. Speaker, when a close personal friend of 30 years dies suddenly, his death comes as a shock and causes great sorrow. It was so yesterday when I was informed of the death of William K. Hutchinson, manager of the Washington office of International News Service.

"Bill" Hutchinson, as we knew him, was one of a group of really great journalists who were here when I first came to Washington; a group that has only a few remaining members. They were journalists who could intelligently interpret the news, both local and foreign. They were men who had a scent for news and loved the "scoops" that were often secured.

Bill was a great lover of sports and at one time was vice president of the Washington Redskins. He accompanied the team on its trips throughout the country. He loved baseball and, as a personal friend of Clark Griffith, could be found every Sunday at the ball park.

Besides his active reporting, Bill found time to author a biography of Senator William E. Borah, whom he intensely admired and with whom a strong friendship existed.

His book, describing the critical early days of World War II was a remarkable document of facts.

Washington will not quite be the same without Bill Hutchinson. We will all miss his genial smile, his ever good will, and the earnestness he exhibited for his work and the country he loved.

He was a great American and, through his writings, helped to make the United States a better land.

To his relatives, I extend my deepest sympathy.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I would like very much to associate myself with the remarks of the gentleman from Massachusetts [Mr. MARTIN] in paying tribute to the late William K. or, as we knew him, "Bill" Hutchinson. We have been friends for nearly a quarter of a century. He was one of the truly great newspapermen who served here in Washington for nearly 30 years.

For many years Mr. Hutchinson was the head of the International News Service organization here in the Capital City. He was long known as one of the most able political writers this Nation ever produced. He was what we term in the trade a newspaperman's reporter. In other words, he had a nose and a sense for news that few men have. He had the ability to write the news with a clarity that made it easy for the average man in the street to understand the situation exactly.

We have also lost a great American in William K. Hutchinson, as well as a great newspaperman. His place in our national life will not be easy to fill.

Mr. MARTIN. Mr. Speaker, I ask unanimous consent that any Member desiring to do so may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection? There was no objection.

Mr. O'BRIEN of New York. Mr. Speaker, one of the most distinguished careers in modern American journalism came to an end with the unexpected death on May 25 of William K. Hutchinson, chief of the Washington bureau of International News Service.

Mr. Hutchinson held that key position for 19 years. Before that, he had been a top congressional correspondent for INS. He served that great news-gathering organization for 38 eventful years. In point of service, he was one of the true elder statesmen among Washington correspondents.

It was my privilege to know Bill Hutchinson first as a fellow newsman and later as a sage to whom a Member of Congress could turn for wise counsel.

His achievements as a reporter in the great tradition are legendary. Among them was his magnificent beat, as triumph over the opposition is called in newspaper parlance, on the Japanese surrender that ended World War II.

He was a man who literally could not count his friends, they were so many and so various. He walked with the great and with the humble, and all that knew him were enriched by their associations with him.

He had rich gifts to share with his staff, his colleagues, and with the officials of government—the executive, the legislative, and the judiciary—and he shared them unstintingly.

His death was untimely. His memory will live a long, long time. His contri-

butions to the history of his era will remain, it seems to me, imperishable.

He was my friend.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BONNER. Mr. Speaker, I ask unanimous consent that the Merchant Marine and Fisheries Subcommittee on Fish and Wildlife may sit this afternoon during general debate.

The SPEAKER. Is there objection? There was no objection.

CALL OF THE HOUSE

Mr. MURRAY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 73]

Andrews	Gary	Poage
Ashley	Gordon	Powell
Auchincloss	Granahan	Prouty
Barden	Grant	Radwan
Barrett	Green, Pa.	Reece, Tenn.
Bass, N. H.	Gregory	Riley
Bass, Tenn.	Gross	Robeson, Va.
Bentley	Gubser	Robison, N. Y.
Blatnik	Healey	Rodino
Boggs	Hemphill	Sadlak
Brooks, La.	Henderson	Saund
Buckley	Hillings	Scott, N. C.
Byrd	Hollifield	Scott, Pa.
Byrnes, Wis.	Jackson	Seely-Brown
Carnahan	James	Selden
Celler	Jenkins	Shelley
Chelf	Jennings	Sheppard
Christopher	Judd	Shuford
Clark	Kearney	Sieminski
Colmer	Kilburn	Siler
Cooley	Knutson	Spence
Corbett	Lennon	Staggers
Coudert	Lesinski	Steed
Curtis, Mo.	McCarthy	Taylor
Dellay	McIntosh	Teague, Tex.
Dies	Mahon	Teller
Dooley	Marshall	Tollefson
Dowdy	May	Trimble
Doyle	Marrow	Udall
Eberharter	Miller, Calif.	Van Zandt
Engle	Morano	Watts
Farbstein	Morris	Wharton
Fino	O'Hara, Minn.	Widnall
Fogarty	Osmer	Wier
Forand	Passman	Wilson, Calif.
Fulton	Patterson	Withrow
Garmatz	Philbin	Zelenko

The SPEAKER. On this rollcall, 309 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CORRECTION OF ROLLCALLS

Mr. JOHNSON. Mr. Speaker, on rollcall No. 70 on Thursday, May 22, I am recorded as being absent. I was present and answered to my name when the roll was called. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Without objection the RECORD and Journal will be corrected accordingly.

There was no objection.

Mr. ARENDS. Mr. Speaker, on rollcall No. 72, I am recorded as being

absent. I was present and I ask unanimous consent that the RECORD and Journal be corrected to show that I was present.

The SPEAKER. Without objection, the RECORD and Journal will be corrected accordingly.

There was no objection.

ADMISSION OF THE STATE OF ALASKA INTO THE UNION

Mr. O'BRIEN of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 7999) to provide for the admission of the State of Alaska into the Union.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 7999, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Friday, May 23, the gentleman from Nebraska [Mr. MILLER] had consumed 2 minutes.

The Chair recognizes the gentleman from New York [Mr. O'BRIEN].

Mr. O'BRIEN of New York. Mr. Chairman, I yield such time as he may require to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, the people of Alaska have struggled as intensely for those principles which are the foundation of our Government as did our forefathers. They have pledged their adherence to these fundamentals of freedom, justice, and equality in their constitution and have indicated in every way their earnest desire to become a wholesome and vigorous part of the United States.

I shall not review the grievances of Alaskans accumulated during their existence as a Territory. Sufficeth it to say that the time has long since passed wherein we should have sympathetically responded to their petitions, pleas, and requests for corrective action.

I supported statehood for Alaska. I am confident that the people of Alaska are intelligent, resourceful, and industrious enough to mold this frontier into one of the great States of the Union.

Alaska's admission to the United States will culminate the story of a patient, peaceful, and resolute effort by people to become part of an existing Government which they love and cherish. This story will be a refreshing chapter in the dolorous book of mankind.

Mr. O'BRIEN of New York. Mr. Chairman, I yield such time as he may require to the gentleman from Washington [Mr. MAGNUSON].

Mr. MAGNUSON. Mr. Chairman, I have listened with a great deal of interest during the past few days to the many statements both in favor of and against statehood for Alaska. I think it is well that we have had this opportunity to debate this measure so thoroughly, because the addition of a State to the Union is one of the most important things Congress can do. I hope

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 28, 1958
For actions of May 27, 1958
85th-2d, No. 84

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HIGHLIGHTS: House agreed to conference report on agricultural appropriation bill, and considered amendments in disagreement. House tentatively voted against Alaska statehood bill. Rep. Gathings requested consideration of bill to permit transfer of cotton allotments due to excessive rainfall, but Rep. Hagen objected.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL FOR 1959. Agreed to the conference report on this bill, H. R. 11767, and considered the two amendments in disagreement.
(pp. 8593-95, 8631)

Agreed to an amendment by Rep. Whitten to provide that no change shall be made in the 1959 ACP program which will have the effect, in any county, of restricting eligibility requirements or cost-sharing on practices included in either the 1957 or the 1958 programs, unless such change shall have been recommended by the county committee and approved by the State committee.
(p. 8594)

Considered, but took no action on, an amendment by Rep. Whitten to provide that hereafter no conservation reserve contract shall be entered into which provides for (1) payments for conservation practices in excess of the average rate for comparable practices under the Agricultural Conservation Program, or (2) annual rental payments in excess of 20 percent of the value of the land placed under contract, such value to be determined without regard to physical improvements thereon or geographic location thereof. In determining the value

of the land for this purpose, the county committee would take into consideration the estimate of the landowner or operator as to the value of such land as well as his certificate as to the production history and productivity of such land. (pp. 8594-95) Further consideration of this amendment was postponed until today, May 28, after Rep. Reuss made a point of order on the vote on the amendment on the ground that a quorum was not present. Rep. Reuss expressed his concern regarding this amendment and inserted correspondence between himself and Rep. Whitten discussing the effects of the amendment. (p. 8631)

2. ALASKA STATEHOOD. Continued debate on H. R. 7999, the Alaska statehood bill. (pp. 8595-8610)

Agreed, 144 to 106, to a preferential motion by Rep. Rogers, Tex., to report the bill back to the House with the recommendation that the enacting clause be stricken. (pp. 8609-10)

Considered, but took no action on, amendments by Rep. Dawson, Utah, to limit to 25 years, instead of 50 years, the time within which the State of Alaska could select 400,000 acres from lands within the national forests in Alaska, and to limit the grant of public lands to the State of Alaska to 102 million acres instead of 182 million acres. (pp. 8605-06) Also considered, but took no action on, an amendment by Rep. Rogers, Tex., as an amendment to the amendment by Rep. Dawson, Utah, to limit the grant of public lands to the State of Alaska to 21 million acres. (pp. 8606-09).

3. COTTON ALLOTMENTS. Rep. Gathings requested unanimous consent for consideration of H. R. 12602, to permit the transfer of 1958 farm acreage allotments for cotton in the case of natural disasters, but Rep. Hagen objected on grounds that the legislation "has been handled in a very extraordinary, high-handed, and unauthorized manner." pp. 8616-17

4. TRADE AGREEMENTS. The Rules Committee reported a resolution for consideration of H. R. 12591, to extend the authority of the President to enter into trade agreements under the Tariff Act of 1930. pp. 8593, 8636

5. PEANUT ALLOTMENTS. A subcommittee of the Agriculture Committee ordered reported H. R. 12224, to provide that production of peanuts on a farm in 1957 or any subsequent year for which no farm acreage allotment was established shall not make the farm eligible for an allotment as an old farm. p. D472

6. BUILDING SPACE. The Government Operations Committee reported with amendment S. 2533, to authorize GSA to lease space for Federal agencies (H. Rept. 1814). p. 8636

7. WATERSHEDS. Received from the Budget Bureau plans for works of improvement for the Wild Rice Creek watershed, N. Dak. and S. Dak., and the Canoe Creek watershed, Ky., pursuant to the Watershed Protection and Flood Prevention Act; to Agriculture Committee. p. 8635

8. ECONOMIC CONDITIONS. Rep. Hiestand discussed current economic conditions, and stated that "it is peculiar, exceedingly peculiar, that farm income is up \$2 billion from the same period last year, yet supposedly recession stalks the land." p. 8585

Rep. Sheehan discussed current economic conditions, and listed actions which have been taken to "stimulate the economy," including requests for additional funds for REA loan programs, watershed programs, roads, public works, etc. pp. 8621-25

9. FEDERAL-STATE RELATIONS. The Judiciary Committee ordered reported with amendment H. R. 3, to establish rules of interpretation governing questions of the effects of acts of Congress on State laws. p. D472
10. AGRICULTURAL APPROPRIATION BILL FOR 1959 (continued). The conference report on this bill, H. R. 11767 (H. Rept. 1776) was reported in Digest No. 83 and a summary table of conferee actions attached thereto. The table erroneously reflected the 1959 appropriation for meat inspection as \$17,236,000, rather than the correct amount of \$17,326,000 (same as 1959 Budget Estimate). The amount of \$17,236,000 had been incorrectly included in H. R. 11767 as printed with the numbered amendments of the Senate, but the conference report is based on the correct figure of \$17,326,000.
- SENATE
11. UNEMPLOYMENT. Began debate on H. R. 12065, to provide for temporary continuation of compensation benefits. pp. 8543, 8549, 8556-88
Sens. Douglas and Kerr submitted their minority views on H. R. 12065, to be printed as part 2 of S. Rept. 1625 on this bill. p. 8533
12. HOUSING. Sen. Sparkman inserted a table showing the increase in the number of housing loan guarantees in recent weeks, and an article, "Housing: Where Business Is Getting Better." pp. 8541-2
Sen. Capehart urged quick action on a measure to extend the authority of FHA to guarantee mortgages. Sen. Johnson discussed the legislative program and concluded that the measure should be included in the omnibus housing bill. Sen. Capehart opposed this because of the time involved. pp. 8583-4
13. SMALL BUSINESS. The Banking and Currency Committee ordered reported with amendments S. 3651, the proposed Small Business Investment Administration Act of 1958. One amendment would provide for expiration July 1, 1961, of the present Small Business Administration authority to charter small-business investment companies. p. D470
Sen. Sparkman urged tax relief for small business and inserted an article discussing administration proposals. pp. 8542-3
14. TRADE AGREEMENTS. Sen. Malone spoke against extension of the Trade Agreements Act and inserted two articles he had written on the need for protective tariffs. pp. 8549-53
15. FARM PROGRAM. Sen. Young inserted an editorial criticizing the Secretary for allegedly failing to tell the farmer's story to non-farmers. pp. 8589-90
16. RESEARCH. Both Houses received from this Department a report on the work of the State agricultural experiment stations during 1957. p. 8534, 8635-6
17. WATERSHEDS. Received from the Budget Bureau plans for works of improvement on Canoe Creek, Ky., and Wild Rice Creek, N. D. and S. D.; to the Agriculture and Forestry Committee. p. 8534
The Vice President presented a Claremont, Calif., city council resolution urging the enactment of legislation to continue Federal flood control work in the Los Angeles area. p. 8534
Sen. Dirksen inserted a resolution of the Illinois-Mississippi Canal and Sinnissippi Lake Commission urging Congress to enact the omnibus rivers and harbors authorization bill presented by Sen. Knowland (S. 3686). pp. 8534-5

18. REORGANIZATION. Sen. Smith, N. J., inserted a resolution of the N. J. State Federation of Women's Clubs endorsing and supporting the recommendations of the Second Hoover Commission on reorganization. pp. 8540-1
19. LEGISLATIVE PROGRAM. Sen. Johnson announced that on Thurs., May 29, the Senate would complete action on H. R. 12065, the temporary unemployment compensation extension bill, followed by H. R. 5497, to authorize Federal assistance for certain fish and wildlife development projects under the Watershed Protection and Flood Prevention Act, and S. J. Res. 171, emergency housing bill to extend the authority of FHA to guarantee mortgages, if possible. He announced that after Thurs., if the unemployment bill were passed, there would be no votes planned until Wed., June 4. He announced that H. R. 12181, the mutual security authorization bill for 1958, would be brought up next week. pp. 8549, 8589

ITEMS IN APPENDIX

20. WATER RESOURCES. Extension of remarks of Sen. Johnson inserting an editorial urging approval of a proposed appropriation for conducting a survey of the Trinity River. p. A4859
Sen. Neuberger inserted Gen. Itschner's recent address, "Reevaluating Our Water Resources Programs." pp. A4859-61
21. POULTRY DISEASE. Extension of remarks of Sen. Frear inserting a University of Delaware report on the status of a poultry disease in Delaware. pp. A4861-2
22. FOREIGN AID. Sen. Fulbright inserted an article, "'Big Brother' Uncle Sam Is Hated--Let's Be Just 'Brother,'" criticizing certain foreign aid policies. pp. A4869-70
23. FOREIGN TRADE. Rep. Boggs inserted his address emphasizing the vital importance of the reciprocal trade agreements program. pp. A4873-5
Rep. Wainwright inserted an editorial urging support for extension of the reciprocal trade agreements program. p. A4882
24. FARM PRICES. Extension of remarks of Rep. Wainwright commending the Secretary and inserting an article, "Benson's Stock Up With Farm Prices--Midwest Republicans Say Their Constituents Are Not Mad At anybody." p. A4877

BILLS INTRODUCED

25. PUBLIC WORKS. S. 3910, by Sen. Kerr (for himself and Sen. Case, S. D.), and H. R. 12700, by Rep. Davis, Tenn., authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation and flood control; to Senate and House Public Works Committees.
26. FORESTS. H. R. 12704, by Rep. Horan, to amend the provisions of law codified as section 500, title 16, U. S. Code; to Agriculture Committee.
27. PERISHABLE COMMODITIES. H. R. 12708, by Rep. Wainwright, to amend the Perishable Agricultural Commodities Act, 1930, to provide that it shall apply to fresh flowers; to Agriculture Committee.

House of Representatives

TUESDAY, MAY 27, 1958

The House met at 12 o'clock noon. The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

John 8: 12: *Jesus said unto them, I am the light of the world; he that followeth Me shall not walk in darkness, but shall have the light of life.*

Most merciful and gracious God, we worship and adore Thee for Thou art the life of our lives, the light of our minds, and the love that fills our hearts.

We thank Thee for the manifestation which Thou hast made of Thyself as the strength of all that is good and the glory of all that is beautiful.

Thou art always drawing us to Thyself by the bonds of love which nothing can break, and seeking to lead us out of darkness into the blessedness of the larger and more abundant life.

Grant that daily we may be baptized with Thy holy spirit, giving us an awareness of Thy presence, an inflowing of Thy peace, and a new sense of Thy power.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 7870. An act to amend the act of July 1, 1955, to authorize an additional \$10 million for the completion of the Inter-American Highway;

H. R. 12356. An act to amend the act entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes," approved August 30, 1954; and

H. R. 12377. An act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 6006. An act to amend certain provisions of the Antidumping Act, 1921, to provide for greater certainty, speed, and efficiency in the enforcement thereof, and for other purposes; and

H. R. 10015. An act to continue until the close of June 30, 1959, the suspension of duties on metal scrap, and for other purposes.

The message also announced that the Senate agrees to the amendment of the

House to a bill of the Senate of the following title:

S. 2498. An act for the relief of Matthew M. Epstein.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10746) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1959, and for other purposes."

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 58-14.

TRADE AGREEMENTS EXTENSION ACT OF 1958

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 578, Rept. No. 1777), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreement under section 350 of the Tariff Act of 1930, as amended, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 8 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendments shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means or an amendment proposing to strike out all after the enacting clause and inserting in lieu thereof the text of the bill H. R. 12676, and said amendments shall be in order any rule of the House to the contrary notwithstanding, but such amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT APPROPRIATION ACT 1959

Mr. WHITTEN. Mr. Speaker, I call up the conference report on the bill H. R. 11767, making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement, as follows:

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11767) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF AGRICULTURE Agricultural Research Service

Amendment No. 1, research: Appropriates \$59,044,890 instead of \$58,444,890 as proposed by the House and \$59,362,390 as proposed by the Senate. It is intended by the conferees that all items earmarked in both the House and Senate reports shall be carried out by the Department during the coming fiscal year. The full amounts proposed for each project are approved with the following adjustments: \$100,000 additional above the amount earmarked by the House for rust research on cereals; a total of \$125,000 for cold-hardiness research on citrus; and a total of \$25,000 for research on "hotspot" conditions in the lower Rio Grande Valley.

Amendment No. 2, plant and animal disease and pest control: Appropriates \$47,132,000 as proposed by the Senate instead of \$41,732,000 as proposed by the House. The conferees are in full agreement that no funds shall be expended by the Department for eradication of the screwworm unless and until fully matched by the States in which such program is carried out.

Amendment No. 3, meat inspection: Appropriates \$17,326,000 as proposed by the Senate instead of \$24,326,000 as proposed by the House. The conferees have agreed that the new mandatory poultry-inspection service may be located under the Agricultural Marketing Service, at the discretion of the Secretary. The conferees feel, however, that the Secretary should give attention to setting up a new combined inspection service or should take such other steps as may be necessary to prevent the creation of duplicate offices and supervisory personnel for the meat-inspection work and the poultry-inspection activity. In this connection the conferees

direct that additional supervisory personnel in Washington and the field for these activities be held at an absolute minimum and that no new area or district offices be created for either service.

Amendments Nos. 4 and 5, State experimental stations: Appropriate \$31,553,708 as proposed by the Senate instead of \$30,353,708 as proposed by the House.

Extension Service

Amendments Nos. 6 and 7, payments to States, Hawaii, Alaska, and Puerto Rico: Appropriate \$53,715,000 as proposed by the Senate instead of \$50,715,000 as proposed by the House.

Agricultural conservation program

Amendment No. 8: Reported in disagreement. The managers on the part of the House intend to offer a motion to recede and concur with the Senate amendment with perfecting language to require that the 1959 program remain the same as the 1957 and 1958 programs. Most States followed the language contained in last year's conference report, directing that no changes be made in the 1958 program to restrict eligibility requirements or delete cost-sharing practices included in the 1957 program. Since a few States made changes in the 1958 program despite such directive, the conferees have agreed to language in the accompanying bill which will restore any such changes and will make certain that future changes are made only upon the recommendation of the county committee concerned.

Agricultural Marketing Service

Amendment No. 9, marketing research and agricultural estimates: Appropriates \$14,195,000 instead of \$14,095,000 as proposed by the House and \$14,287,000 as proposed by the Senate. The increase is provided to extend the quarterly cattle and feed reports to 13 additional States. No funds are provided for monthly interim statistics. The conferees have received some complaints concerning the accuracy of the quarterly reports. They request that this matter be studied by the Department and reports of findings be provided to the Committees on Appropriations of both Houses.

Amendment No. 10, marketing services: Appropriates \$20,659,000 instead of \$14,097,000 as proposed by the House and \$21,272,000 as proposed by the Senate. The increase includes \$6,500,000 for poultry inspection, \$42,000 for extension of wholesale meat reports and market news services, as set forth in the Senate report, and \$20,000 for strengthening wool standardization and grading work.

Amendments Nos. 11 and 12, school-lunch program: Amendment No. 11 appropriates \$110 million instead of \$100 million as proposed by the House and \$125 million as proposed by the Senate. Amendment No. 12 restores House language authorizing the transfer of section 32 funds for the purchase of food for use in the school-lunch program; for this purpose the amount of \$35 million is provided instead of \$55 million as proposed by the House.

Soil Bank programs

Amendment No. 13, conservation reserve program: Appropriates \$200 million as proposed by the Senate instead of \$250 million as proposed by the House. The reduction is based on final figures indicating total sign-ups of \$71,468,000 for the 1958 program.

Amendments Nos. 14 and 15, conservation reserve program: Authorize \$16 million for administrative expenses instead of \$15 million as proposed by the House and \$17 million as proposed by the Senate, and provide \$12,750,000 for county-committee expenses instead of \$12 million as proposed by the House and \$13,500,000 as proposed by the Senate.

Amendment No. 17, conservation reserve program: Reported in disagreement.

Commodity Stabilization Service

Amendment No. 18, Sugar Act program: Appropriates \$76 million as proposed by the Senate instead of \$71 million as proposed by the House.

Rural Electrification Administration

Amendments Nos. 19 and 20, loan authorizations: Authorize \$317 million for rural electrification loans as proposed by the Senate instead of \$300 million as proposed by the House; also authorize \$67,500,000 for rural telephone loans as proposed by the Senate instead of \$60 million as proposed by the House.

Farmers' Home Administration

Amendment No. 21, loan authorizations: Establishes a contingency fund of \$20 million as proposed by both Houses, with not to exceed \$5 million for farm-ownership loans under title I of the Bankhead-Jones Farm Tenant Act and the balance for farm operating loans under title II of that act.

Office of the General Counsel

Amendment No. 22, salaries and expenses: Appropriates \$2,968,000 instead of \$2,943,000 as proposed by the House and \$3,043,000 as proposed by the Senate. The additional \$25,000 is for legal work related to the new mandatory poultry-inspection work of the Department.

Commodity Credit Corporation

The conferees have considered statements contained in the reports of the two committees, particularly comments relative to cotton and other export subsidy programs. They are in full agreement that it is the responsibility of the Committees on Appropriations of the House and Senate to review activities of the Department of Agriculture under all existing laws for which appropriations are proposed by the executive branch or are considered by the Congress. In carrying out this responsibility, they recognize that it is within the jurisdiction of such committees to recommend approval or disapproval of appropriations and to make comments and recommendations with regard to such programs and activities.

In connection with the comments of the House committee on the export policies of the Department, the conferees would point out that were it not for exports, American agriculture literally would smother in its own production. Sixty million acres of cropland—1 out of every 5—produce for export. The large flow of agricultural products to customers overseas not only provides additional farm income but also eases the pressure of supplies on the domestic market and strengthens prices.

In the 1956-57 marketing year the United States exported over \$1 billion of cotton, \$400 million of tobacco, \$196 million of soybeans, \$190 million of rice, \$350 million of feed grains, \$231 million of dairy products, \$46 million of poultry products, \$405 million of fats and oils, \$230 million of fruits, and \$958 million of wheat.

In the handling of Commodity Credit Corporation operations, including the export program, it is to be noted that payments to the trade for such things as storage, handling and transportation costs, including any exorbitant profits, in fact all costs or losses of the Commodity Credit, add to the costs to the Treasury and increase appropriations. Further, they are charged against the farm program, and are frequently used as arguments against farm programs, though, of course, such expenditures do not go to the farmer. These facts make it essential that the Committees on Appropriations maintain a continuing review of departmental activities to see that unnecessary expenditures are not made and unnecessary losses are not incurred due to the failure of the United States to retain its fair share of world markets.

The conferees point out that the Commodity Credit Corporation has full authority to sell farm commodities in world trade on a competitive basis and would call attention to the large increase in American exports for dollars which have occurred with the use of such authority in the past several years. The conferees take note of the fact that the Department has announced, with reference to cotton, that in the future the authority to sell competitively for dollars through normal trade channels will be maintained concurrently with a program of payment of an export subsidy in kind.

It is the opinion of the conferees that, in order to retain for the United States its fair share of world markets, all authority of law should be used to the fullest extent necessary to keep United States farm commodities offered in world trade at competitive prices. Officials of the Commodity Credit Corporation, in the interest of the Government and of the farm programs, in keeping farm commodities available in world trade at competitive prices, should make every effort to obtain the largest return for such commodities with the minimum of cost.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
ALFRED E. SANTANGELO,
CLARENCE CANNON,
H. CARL ANDERSEN,
WALT HORAN,
C. W. VURSELL,
JOHN TABER,

Managers on the Part of the House.

Mr. WHITTEN (interrupting the reading of the statement). Mr. Speaker, inasmuch as there is complete agreement, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. And that it be printed in the RECORD?

Mr. WHITTEN. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 8: Page 11, line 25, insert: "Provided further, That no change shall be made in such 1959 program which will have the effect, in any county, of restricting eligibility requirements or cost-sharing on practices included in the 1958 program, unless such change shall have been recommended by the county committee and approved by the State committee."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate No. 8, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert "Provided further, That no change shall be made in such 1959 program which will have the effect, in any county, of restricting eligibility requirements or cost-sharing on practices included in either the 1957 or the 1958 programs, unless such change shall have been recommended by the county committee and approved by the State committee."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 17: Page 18, line 4, strike out the colon through the word "program" on line 10 and insert "Provided further, That in determining the amount of rental payments the Secretary shall give due consideration to the value of the land and the rental value thereof."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment. The Clerk read as follows:

Amendment No. 17: Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate No. 17, and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert "Provided further, That hereafter no conservation reserve contract shall be entered into which provides for (1) payments for conservation practices in excess of the average rate for comparable practices under the agricultural conservation program, or (2) annual rental payments in excess of 20 percent of the value of the land placed under contract, such value to be determined without regard to physical improvements thereon or geographic location thereof. In determining the value of the land for this purpose, the county committee shall take into consideration the estimate of the landowner or operator as to the value of such land as well as his certificate as to the production history and productivity of such land."

Mr. REUSS. Mr. Speaker, I desire to be heard in opposition to the motion.

The SPEAKER. Does the gentleman from Mississippi yield for that purpose?

Mr. WHITTEN. I do not yield at this time, Mr. Speaker.

The SPEAKER. The question is on the motion.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. REUSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and I make the point of order that a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of the conference report be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. Does the gentleman withdraw his point of order?

Mr. REUSS. The point is withdrawn, Mr. Speaker.

CURRENT ECONOMIC CONDITION

(Mr. HIESTAND asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HIESTAND. Mr. Speaker, much has been made of the extraordinary circumstances surrounding the current economic condition of our country. Time and again, Members of this body have, in the course of debate, made references to particular phases of our economy, and with the familiar chorus, "never before in the history of our Nation" and so forth, proclaimed this a peculiar recession.

Mr. Speaker, I quite agree, and if a note of irony is detected in my voice and statement, I assure you it is completely intentional.

It is peculiar indeed, that savings are at an all-time high, and still climbing, while we are supposedly in the ruthless grip of economic disaster.

It is peculiar, beyond comprehension, that the buying power of our people is so strong that prices are continually forced upward, while the Nation supposedly flounders in a business slump.

It is peculiar, exceedingly peculiar, that farm income is up \$2 billion from the same period last year, yet supposedly recession stalks the land.

Mr. Speaker, the peculiar aspects of this recession, some of which I have just cited, add up to only one thing. That is, this is a psychological recession. Yes; a mental recession, and though I am no psychiatrist, I say, let us get up off the couch and quit thinking recession, and we will soon discover that it was mainly a state of mind.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that Calendar Wednesday of next week be dispensed with.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

Mr. O'BRIEN of New York. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 76]

Andersen,	Garmatz	Morrison
H. Carl	George	O'Hara, Minn.
Andrews	Granahan	Passman
Ashley	Grant	Philbin
Auchincloss	Green, Pa.	Poage
Barrett	Gregory	Powell
Bass, Tenn.	Gross	Radwan
Boggs	Gubser	Reece, Tenn.
Boland	Gwinn	Riley
Brooks, La.	Harris	Robeson, Va.
Buckley	Hays, Ohio	Saund
Byrd	Healey	Scott, N. C.
Carnahan	Hemphill	Shelley
Celler	Hillings	Sheppard
Chelf	Holt	Shuford
Christopher	Holtzman	Sicilinski
Colmer	Hull	Siler
Coudert	Ikard	Spence
Davis, Tenn.	Jackson	Taylor
Dawson, Ill.	James	Thompson, La.
Dies	Jenkins	Thornberry
Diggs	Kearney	Trimble
Dollinger	Kilburn	Udall
Donohue	Kirwan	Vinson
Dowdy	Lennon	Vursell
Doyle	McCarthy	Watts
Engle	Marshall	Weir
Farbstein	Marrow	Zelenko
Fogarty	Miller, Calif.	
Forand	Morris	

The SPEAKER pro tempore (Mr. McCORMACK). Three hundred and thirty-two Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

ADMISSION OF THE STATE OF ALASKA INTO THE UNION

Mr. O'BRIEN of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 7999) to provide for the admission of the State of Alaska into the Union.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 7999) with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday all time for general debate on the bill had expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That, subject to the provisions of this act, and upon issuance of the proclamation required by section 8 (c) of this act, the State of Alaska is hereby declared to be a State of the United States of America, is declared admitted into the Union on an equal footing with the other States in all respects whatever, and the constitution formed pursuant to the provision of the act of the Territorial legislature of Alaska entitled, "An act to provide for the holding of a constitutional convention to prepare a constitution for the State of Alaska; to submit the constitution to the people for adoption or rejection; to prepare for the admission of Alaska as a State; to make an appropriation; and setting an effective date," approved March 19, 1955 (chap. 46, Session Laws of Alaska, 1955), and adopted by a vote of the people of Alaska in the election held on April 24, 1956, is hereby found to be republican in form and in conformity with the Constitution of the United States and the principles of the Declaration of Independence, and is hereby accepted, ratified, and confirmed.

Mr. BOYLE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on behalf of the dean of the Illinois delegation, THOMAS J. O'BRIEN, I ask unanimous consent that all Members may be permitted to extend their remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE LATE CARDINAL STRITCH

Mr. BOYLE. Mr. Chairman, it is with keen sadness that the Illinois delegation has learned of the death of the beloved and universally respected Samuel Cardinal Stritch, Archbishop of Chicago, who died in Rome last night at the age of 70, only 1 month and 1 day after he was appointed to the Roman Curia, the highest governing body of the church.

Samuel Cardinal Stritch was the first American-born cardinal to be so honored. He was elevated to that body when on March 1, 1958, Pope Pius XII appointed him pro prefect of the congregation. It seems but yesterday that various Members of the House of Representatives took the floor to felicitate and wish well this great prince of the church and this truly great American on the occasion of that most singular and recent honor. Samuel Cardinal Stritch through all his years has demon-

strated a talent, a love and affection for the humble and the meek and the lowly.

A brilliant student, Samuel Cardinal Stritch was ordained to the priesthood by special dispensation a year before reaching the canonical age of 24. He became a bishop at 34, an archbishop at 43, and a cardinal at 58.

Samuel Cardinal Stritch was known best for his work in the cause of world peace, united charities, and the Catholic youth movement—a group of all races and all faiths.

American liberals of all faiths considered him an outstanding liberal. Samuel Cardinal Stritch was deeply concerned about the problems of labor and was friendly to labor organizations; he condemned as morally wrong interference with Negroes seeking to use the rights they enjoy under the Constitution, and he established a policy of helping all minority groups to integrate themselves religiously, socially, and economically into the life of their city.

It is said that a kindly providence called him so abruptly to his just reward long before he had an opportunity to further demonstrate that intensity of purpose that scholarliness and that charity that made him beloved the world over.

At this time it is with considerable sadness that we point up, on the floor of the House, the passing of a great churchman, a great American, and a truly great humanitarian as he goes to his much-merited reward, and we only hope that a kindly providence will visit upon his successor the same talent, the same respect, and the same love of little people that the great Samuel Cardinal Stritch, Archbishop of Chicago, demonstrated so thoroughly.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BOYLE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Chairman, I read with grief of the death of Cardinal Stritch, a great churchman and a great American. His spiritual leadership was not confined to his influence on communicants of the Catholic Church, but to all persons of all creeds of a religious mind. It was only several weeks ago when Mrs. McCormack and I were in Chicago when I was addressing the Fourth Degree Knights of Columbus that we spent a very pleasant hour with Cardinal Stritch, an hour that will always be one of our treasured memories. Cardinal Stritch's leadership in the spiritual field and in the field of government as an American citizen was outstanding. He possessed a universal mind, and his thoughts and his utterances appealed to all persons of deep faith and of a religious mind. Countless millions of persons of all faiths and of all creeds will feel a real sorrow in the passing of this great churchman and this great American.

Mr. SHEEHAN. Mr. Chairman, will the gentleman yield?

Mr. BOYLE. I yield to the gentleman from Illinois.

Mr. SHEEHAN. Mr. Chairman, I join with the gentleman from Illinois in expressing our grief at the death of Cardinal Stritch. As the majority leader,

the gentleman from Massachusetts [Mr. McCORMACK] so well said, regardless of one's faith or one's political creed, everyone in Cook County and in Illinois was very much mindful of the great works of charity and the great works of religion which were so close to Cardinal Stritch's heart. When he came to Chicago from Milwaukee, yes, even before he came to Milwaukee, we all realized the great charitable works undertaken by Cardinal Stritch. Those of the Catholic religion as well as those of all other religions will ever remember the great work he has done for his church and his country.

Mr. BYRNE of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BOYLE. I yield to the gentleman from Illinois.

Mr. BYRNE of Illinois. Mr. Chairman, I would like to associate my remarks with those of the gentleman from Illinois as well as the distinguished majority leader. As one who was born and educated in the city of Chicago, I, too, recall when our beloved cardinal came to the great city of Chicago. His work was outstanding. He was a recognized leader not only as a leader of the Catholic church, but his leadership was felt in all civic activities in our area. He was a great builder of churches, a great builder of schools, and his influence was far reaching. He particularly had a great love for the retarded children and the exceptional children. We in Chicago, as well as people in all parts of the United States of America not only feel great sorrow at the departure of this great leader, but we shall miss him.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. BOYLE. I yield to the gentleman from Wisconsin.

Mr. REUSS. Mr. Chairman, Cardinal Stritch was a distinguished and beloved former citizen and resident of the city of Milwaukee. His loss will be deeply felt.

Samuel Alphonsus Stritch became Archbishop of Milwaukee in 1930. He was only 43, one of the youngest men ever to receive such an appointment. In his 10 years as Archbishop of Milwaukee, Cardinal Stritch made inestimable contributions to the welfare and betterment of the entire community.

His energetic work in charity, in educational expansion, in parish expansion will not be forgotten. Cardinal Stritch held the respect and friendship of Milwaukeeans of all faiths.

His concern for the suffering and the needy extended worldwide. He fought always against racial discrimination. He was a devoted American. His belief in democracy was firm and strong.

The Christian world has lost a great and dedicated spiritual leader. Nowhere is the sadness at the death of Cardinal Stritch more deeply felt than in Milwaukee, where so many of his good works were accomplished.

(Mr. REUSS asked and was given permission to revise and extend his remarks.)

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. BOYLE. I yield to the gentleman from Indiana.

Mr. MADDEN. Mr. Chairman, I wish to join with the Illinois delegation in paying tribute to the memory of Samuel Cardinal Stritch who passed away yesterday in Rome, Italy.

The people of the Calumet region of Indiana, which adjoins Chicago, mourns the passing of this great religious leader and humanitarian. The Cardinal's outstanding accomplishments during a long life of religious service are familiar to people of all denominations throughout the Middle West.

That he would become a man of great intellectual attainment was demonstrated in his very early years as a boy in high school and college through hard work and sacrifice during his younger years. As a priest, his abilities were soon recognized by his church superiors and gradually his responsibilities increased until he reached one of the highest pinnacles of office and position in the Catholic Church. Cardinal Stritch was an acquaintance and friend of Pope Pius XII since his school days in the Seminary in Rome. During all these years, the great ability and work of Cardinal Stritch in his religious life was so outstanding that a few months ago his holiness appointed the Cardinal to the Roman Curia as pro prefect of the Sacred Congregation for the Propagation of the Faith, the church's missionary agency. This is the highest recognition ever bestowed upon an American prelate.

The people of Illinois, Indiana, and other Middle West States will long mourn the memory of this leader of the church whose great religious work and charities have benefitted hundreds of thousands during his long service in the work of God.

(Mr. O'BRIEN of Illinois, Mr. KLUCZYNSKI, Mr. LIEONATI, Mr. O'HARA of Illinois, Mr. GORDON, Mr. PRICE, and Mr. MACK of Illinois (at the request of Mr. BOYLE) were given permission to extend their remarks in the RECORD, following the remarks of Mr. BOYLE.)

Mr. O'BRIEN of Illinois. Mr. Chairman, the news of the untimely and unfortunate passing of Samuel Cardinal Stritch reached me late last night. It was the unwelcome news which I had hoped might not take place at this critical time in world history when we are so much in need of great leaders.

Through the last several weeks after learning of Samuel Cardinal Stritch's grave condition, like so many people all over the world, I read each bulletin with anxiety as the great churchman's life hung by a thread.

This great cleric and great American was a brilliant man and had a brilliant life. Truly he was a living exhibit of the proposition, "As a man is, so he acts." He was a man of energy and intensity of purpose. Ten years after his birth in Nashville, Tenn., on August 17, 1887, he graduated from grammar school. By the time he was 16 he had a bachelor of arts degree.

Eighteen years later he was named bishop of Toledo, Ohio, the youngest member of Roman hierarchy in the

County. And with its occupancy St. Peter's Hall and the Supreme Court Building reverted to their original status. But as Horatio at the bridge, the parish auditorium had stemmed further loss to the city of Jefferson after the flame of February 5 had simmered to ashes.

INSURING THAT THE AGRICULTURE APPROPRIATION BILL CONTINUES 80 PERCENT FEDERAL PARTICIPATION IN WILDLIFE-CONSERVING PRACTICES UNDER THE CONSERVATION RESERVE

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 15 minutes.

Mr. REUSS. Mr. Speaker, conservationist and sportsmen vigorously supported the adding of wildlife-conserving practices to the conservation reserve when the Soil Bank was adopted 2 years ago. For the first time, we recognized that the farmer who followed sound wildlife conservation practices should be adequately compensated for doing on his land what benefited the entire country. Under the conservation reserve, the Department of Agriculture has approved paying farmers up to 80 percent of the cost of such wildlife-conserving practices as planting food and cover—multiflora roses, trees, and shrubs, for instance—for wild game, and creating or restoring marshy areas for waterfowl and muskrats.

Throughout the Nation, the wildlife practices provision has fostered the most healthy cooperation between farmers and city conservationists. In Wisconsin, for example, conservationists are finding that the 80 percent cost-sharing by the Federal Government is beginning to interest farmers in adopting good wildlife-conserving practices. Throughout America such organizations as the National Wildlife Federation have succeeded in obtaining ever-greater participation by farmers in the wildlife aspects of the conservation reserve. The Federation has set up an entire division to prosecute this program, led by H. R. Morgan, the very able former Game and Fish Commissioner of North Dakota.

Mr. Morgan tells me that more than 10 State conservation agencies have in the last year participated actively in the carrying out of wildlife practices under the conservation reserve. With continued Federal interest in the program, we can soon look for the cooperation of conservation commissions in each of the 48 States.

Earlier today the conference report—House Report No. 1776—on the disagreeing votes of the two Houses on the amendments of the Senate to H. R. 11767, the 1959 agriculture appropriations bill, came before the House. Further consideration of a motion by the gentleman from Mississippi [Mr. WHITTEN] concerning amendment No. 17 in disagreement, having to do with the conservation reserve program, was put over until tomorrow.

In order that the legislative history of H. R. 11767 may be entirely clear, I insert an exchange of letters between myself and the gentleman from Missis-

issippi [Mr. WHITTEN] which took place this afternoon, following the action on H. R. 11767 just referred to. The letters follow:

MAY 27, 1958.

The Honorable JAMIE L. WHITTEN,
House of Representatives,
Washington, D. C.

DEAR JAMIE: Earlier today, during the consideration of the conference report (H. Rept. 1776) on the disagreeing votes of the two Houses on the amendments of the Senate to H. R. 11767, the 1959 agriculture appropriation bill, I asked leave to speak in opposition to, and for an automatic rollcall vote on, a motion made by you on amendment No. 17 (conservation reserve program), which had been reported in disagreement. Your motion asked that in lieu of the matter stricken and inserted by amendment No. 17, there should be inserted the following:

"Provided further, That hereafter no conservation reserve contract shall be entered into which provides for (1) payments for conservation practices in excess of the average rate for comparable practices under the agricultural conservation program, or (2) annual rental payments in excess of 20 percent of the value of the land placed under contract, such value to be determined without regard to physical improvements thereon or geographic location thereof. In determining the value of the land for this purpose, the county committee shall take into consideration the estimate of the landowner or operator as to the value of such land as well as his certificate as to the production history and productivity of such lands."

I did so solely because I feared that the first portion of this quoted language—"Provided further, that hereafter no conservation reserve contract shall be entered into which provides for (1) payments for conservation practices in excess of the average rate for comparable practices under the agricultural conservation program,"—might conceivably be construed to require a departure from the present practice under the conservation reserve of the Soil Bank whereby the Department of Agriculture pays farmers up to 80 percent of the cost of such wildlife-conserving practices as planting food and cover for wild game, and creating and restoring marshy areas for wild game. Specifically, I feared that these wildlife-conserving practices might be held to be comparable to practices under the agricultural conservation program, and thus the payments reduced to 50 percent.

Such a construction, of course, would be disastrous to the wildlife-conserving program. To the extent that conservation practices under the conservation reserve and under the agricultural conservation program are substantially comparable, and are in large part for the benefit of the participating farmer, such as payments for liming and terracing, I would respect the judgment that a 50-percent contribution by the Department of Agriculture is adequate. For wildlife-conserving practices, however, where the benefit accrues more largely to the whole community than to the participating farmer, an 80-percent contribution by the Agriculture Department is necessary in order to make participation attractive.

From our discussion of this point on the floor today following the action taken to postpone further consideration of the conference report on H. R. 11767 until tomorrow, I understand that the intention of the language above cited is that "comparable practices" do not include wildlife-conserving practices, since such practices are not included under the agricultural conservation program. In other words, your amendment will not preclude the Department of Agriculture's paying, as it now does, up to 80 percent for wildlife-conserving practices under the conservation reserve.

I have obtained a special order for later this afternoon in order to discuss this question, and I should deeply appreciate your confirming to me the correctness of my understanding of your views, as the author of the above language. As I indicated to you on the floor, I believe a construction of the language along the lines I have here set forth would not give rise to the fears I have here expressed.

Sincerely,

HENRY S. REUSS,
Member of Congress.

MAY 27, 1958.

Hon. HENRY S. REUSS,
House of Representatives,
Washington, D. C.

DEAR HENRY: With regard to your letter asking our construction of the language offered by motion on amendment No. 17, I would state the following:

The language intends that there shall be comparable payments for comparable practices under each the conservation reserve program and the agricultural conservation program. There is nothing in the agricultural conservation program which requires any lower rate of payment than that allowed by the Department in the conservation reserve program. In other words, comparable payments could be made by bringing one up to the other as well as by scaling down.

Now as to practices for conservation of wildlife, I know of no comparable practices in the agricultural conservation program; however, should there be, I believe there should be a comparable rate of payment. I believe this to be the intent of the conferees.

Sincerely,

JAMIE L. WHITTEN,
Member of Congress.

This exchange of letters makes it abundantly clear that the 1959 agriculture appropriation bill permits payments by the Department of Agriculture, as at present, of up to 80 percent for wildlife-conserving practices under the conservation reserve.

FIFTH ANNUAL GOOD GOVERNMENT DINNER OF CROSSCUP-PISHON POST NO. 281, AMERICAN LEGION

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I shall divide the time allotted me in two speeches.

Mr. Speaker, on Tuesday, April 8, the fifth annual good government dinner of the Crosseup-Pishon Post, No. 281, the American Legion, took place at the Sheraton Plaza Hotel, in Boston, Mass. This distinguished post of the American Legion selected me as their honor guest and presented me with their annual good-government award. This constitutes a very high honor, and I shall treasure the memory for the rest of my life.

On this important occasion, I was invited to make the principal address of the evening. Following herewith is my address:

Commander Taiberth, veterans of the Crosseup-Pishon Post of the American Legion, distinguished guests, ladies and gentlemen, my first words to you this evening I hope will convey the sincerity and depth of my feeling and appreciation on this memorable occasion. I am grateful, so deeply grateful to have been selected by the Cross-

cup-Pishon Post, this very distinguished post of the American Legion, to be honored and presented with its award of good government. Also, I am honored by all of you here this evening who have taken these precious moments of your busy lives and from your friendly homes to come here for this particular occasion. My heart is warmed by this knowledge and touched with this evidence of your friendliness and respect.

My second words are those of thanks—my thanks to this very distinguished post of the American Legion for selecting me to be their honored guest this evening. To the officers and members of the Crosscup-Pishon Post I give my thanks for this exceptional good-government award. To all of you who have presented me with the honor of your presence here this evening I extend my thanks. At this moment, all I have to offer all of you is my heartfelt thanks. Please know that my appreciation is deeply embedded in my heart and life.

This evening and on other occasions, I have been mentioned very respectfully as "The No. 1 friend of the veteran." To be thought of in this way, even though I feel I do not qualify, is a tribute of the highest order. To be thought of in this way is a distinguished honor, for I consider our men and women veterans not only the largest but the finest group of deeply loyal and dedicated Americans to be found anywhere in the Nation. Through the processes of good government their purpose is to protect the country and our way of life from enemies within and without.

The people of the United States of America, as well as the people of the free world, will never know and will never be able to fully measure the tremendous contributions given to our country and to the cause of freedom by our veterans, not only on the field of battle, but also in the daily molding of the greatness of America and the strength of the cause of free men everywhere. The veterans know so well the necessity for good government, dependable government and a government of integrity and respect. Unless our Government is honorable and respected, and dependable, our country and free way of life is doomed to treachery, selfishness, exploitation, and chaos. This good-government award of the Crosscup-Pishon Post is representative of this high purpose of the American Legion.

As we think of government and all that it means to us in our lives, I think you will agree with me that one of the principal milestones in all history was the formation and establishment of the American system of government. Our Constitution has been the pattern for the government of many nations. It has provided the way of orderly conduct for old countries which have won new freedom and independence.

Minus a few years, it has been my honor to be associated with the operation of our Government for almost half of a century. This is a long time. It has been an eventful period in our history. There have been times of joy and times of heartache. I shall speak briefly of these great events during this half century.

Much has happened since the early days of 1913 when my late husband and I arrived in Washington to commence our representation of the people of Massachusetts in the Congress of the United States. Woodrow Wilson was about to be inaugurated President. The horse and carriage was still competing with the automobile as a means of transportation. Europe and the rest of the world seemed as far away as the moon does today. In population, our Nation was half the size it is now. Arizona and New Mexico had only recently become members of the Union, completing the forty-eight States, and their newly elected representatives were on hand to take their seats in Congress. In 1913, radio and television were unknown. There were no electric re-

frigerators, laundry or garbage disposal machines, and many other of the conveniences so common to all of us today were unknown then. The great oceans isolated our country, and that was the way we preferred to be. We went along our own way. We were still engaged in the development of our country. We were just reaching national maturity.

Then came 1914 and war in Europe. Little did any of us realize then, that 3 years later, on April 6, 1917, our own country would become a part of this great conflict. Some of you here tonight were among the Yanks who went over there to do the job. It was in the trenches and on the fields of battle of World War I, where men became friends while fighting together in a gigantic struggle for freedom against oppression. This was the war to make the world safe for democracy. This was where the American Legion was born. This was where this distinguished Post had its beginning.

After World War I came reconstruction and the dreams of a great future. Out of the war, however, came a reality which was to change our lives here in America. The airplane had proved itself and the air age with its great development of air power was thrust upon us. No one knew its full meaning but everyone knew the whole world was changed.

In these early days after the war, I used to fly whenever I had the opportunity. Always I flew back and forth between Lowell and Washington. The planes were small and very fragile compared to the enormous airliners of today. Many of them were open cockpit and one had to dress in heavy clothing to protect themselves from the weather and the rigors of flying. In addition to getting pleasure from air travel, I engaged in it for the purpose of creating public confidence in the airplane as a means of travel and in this way to assist this young industry in our country to get firmly started. I knew its military potential was very great. Having no usable airplanes of our own in the war, I knew it was time our country was busy. The airplane was soon to be a vital weapon in our national defense.

A few years after the war, in 1927, the intrepid Lindbergh flew his Spirit of St. Louis in a non-stop flight across the wide Atlantic from New York to Paris. Now we knew the ocean could be crossed by an airplane. This fact all of a sudden eliminated distance between the nations of the world. This fact was to change our whole concept of foreign policy.

After those early flights across the ocean, and from continent to continent, the leadership of America knew that a policy of isolation was no longer feasible. We knew that in this air age that had suddenly come upon us, the whole world had been brought very close together in the sense of time and distance. This fact also disclosed very clearly the necessity for understanding and cooperation between nations for the great oceans no longer constituted protection and isolation was no longer possible.

Then the age of the 1930's was upon us. This was the decade of national struggle everywhere and economic adjustment. These were the days when we were told by President Roosevelt that we had nothing to fear but fear itself. These were the days when we were testing our ability as a Nation to plan and manage our own economy. These were the days of new laws and regulations which seemingly placed limitations upon our cherished freedom. We never succeeded, however, in testing completely our ability to control our national economy and our national economic life because of a sudden and great catastrophe.

It was now 1939 and in the late summer. Germany marched into Poland. War again darkened the sky. Then came that Sunday morning dawn and Pearl Harbor. World War II in all its fury was upon us and once again

we were fighting for survival and this precious free way of life.

This gigantic conflict is still so close to all of us that I am not going to recount here the great deeds of heroism and sacrifice or any of the great events that took place. Many of you know them from personal experience so much better than I do. Like World War I, however, World War II also changed the way of living for everyone everywhere. As this enormous tragic struggle was drawing to a close, one day in the late summer of 1945, a great bomb burst over Hiroshima, and with its bursting the whole world was catapulted into the atomic age.

In this atomic age, developments have taken place so rapidly that mankind now seems only a few steps away from the threshold over which he is certain to step, into a vastly wider comprehension of space and the universe. Explosive power, destructive power, is now measured in units known as megatons. It is now possible as we all so clearly realize, for man to destroy completely his own civilization. Within a matter of hours one nation can completely destroy another. Here again, the existence of this new power has changed our entire foreign policy.

Out of this situation has been born the necessity of collective security. Our foreign policy must be directed toward associating and joining together the free nations of the world for defense and security purposes, while at the same time our foreign policy must be directed toward the prevention of a catastrophic nuclear war. On the one hand, we must do everything we can to provide strength for defense, while on the other hand, we must do everything we can to prevent the necessity for using that strength. There is no substitute for survival.

Here we are, then, ladies and gentlemen, in the daily living of the present. All of us are so busy with our daily responsibilities it is difficult to comprehend the forces that are gradually changing the way in which we live during these swiftly passing days. The closer great forces are to us, the more difficult it is for us to see them and comprehend them. The obvious, however, is most important. As a nation, we must recognize these forces in time so that we might control them and channel them into positive benefits rather than allowing them to disintegrate into tragedy. Now the practical meaning of this statement is this. We need collective security and we need wide and genuine cooperation among the free nations of the world, which look to our United States of America not only for leadership but for most of the military power that gives the collective security any strength. Leadership in our country must know how far the United States can go in the giving away of our capital, resources, and substance. In this collective cooperative effort, if world peace is to be maintained, the economy of the United States must be healthy and strong at all times. If our American economy ever breaks from overextension of the enormous burdens our Nation is carrying throughout the world, communism and the Soviet bloc of nations will have achieved their greatest victory.

Our world today is made up of many nations, and more and more these nations must work together. Cooperation, however, is based upon mutual requirements and benefits. Most nations will not cooperate unless it is to that nation's advantage to do so. No nation can afford great sacrifices over a long period of time without balancing benefits and advantages. In international life, it avails nothing to the giver if nothing is received in return for the giving. If the economy of the United States becomes weakened or jeopardized, the organizations of free nations will disintegrate. If the United States fails to keep her economy sound and strong as well as our mili-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Both Houses adopted conference report on agricultural appropriation bill. Both Houses passed bills to permit transfer of cotton allotments due to excessive rainfall. House passed Alaska Statehood bill. House agreed to debate trade agreements bill. Senate committee ordered reported general government matters and independent offices appropriation bills.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL FOR 1959. Agreed to the amendment by Rep. Whitten to this bill, H. R. 11767, providing that hereafter no conservation reserve contract shall be entered into which provides for (1) payments for conservation practices in excess of the average rate for comparable practices under the agricultural conservation program, or (2) annual rental payments in excess of 20 percent of the value of the land placed under contract, such value to be determined without regard to physical improvements thereon or geographic location thereof; and that, in determining the value of the land for this purpose, the county committee shall take into consideration the estimate of the landowner or operator as to the value of such land as well as his certificate as to the production history and productivity of such land. p. 8734
2. DEFENSE APPROPRIATION BILL FOR 1959. The Appropriation Committee reported without amendment this bill, H. R. 12738 (H. Rept. 1830). p. 8759

3. COTTON. Passed as reported H. R. 12602, to permit the transfer of 1958 farm acreage allotments for cotton in the case of natural disasters. pp. 8748-49
The "Daily Digest" states as follows: "Committee on Agriculture: Subcommittee on Cotton met in executive session relative to cotton legislation and approved language which was recommended to the full committee for inclusion in an omnibus farm bill." p. D478
4. STATEHOOD. Passed, 208 to 166, with amendments, H. R. 7999, the Alaska statehood bill. (pp. 8731, 8734-47)
Agreed to the following amendments:
By Rep. Dawson, Utah, 91 to 8, to limit to 25 years, instead of 50 years, the time within which the State of Alaska may select 400,000 acres from lands within the national forests in Alaska, and to limit the grant of public lands to the State of Alaska to 102 million acres instead of 182 million acres. (p. 8735)
By Rep. Westland to provide that the administration and management of the fish and wildlife resources of Alaska shall be retained by the Federal Government under existing laws until the first day of the first calendar year following the expiration of 90 legislative days after the Secretary of the Interior certifies to the Congress that the Alaska State Legislature has made adequate provision for the administration, management, and conservation of these resources in the broad national interest. (pp. 8738-41)
Rejected an amendment by
Rep. Rogers, Tex., 46 to 74, as an amendment to the amendment by Rep. Dawson, Utah, to limit the grant of public lands to the State of Alaska to 21 million acres. (p. 8735)
Rejected a motion by Rep. Rogers, Tex., 174 to 199, to recommit the bill to the Interior and Insular Affairs Committee. (pp. 8734-35) A similar motion by Rep. Pillion was rejected 172 to 201. (pp. 8745-46)
5. FOREIGN TRADE. Agreed to a Rules Committee resolution for debate on H. R. 12591, to extend the authority of the President to enter into trade agreements. The resolution waives all points of order against the bill, provides for 8 hours of general debate, and provides that no amendments to the bill will be in order except those offered by direction of the Ways and Means Committee and the proposed bill by Rep. Simpson (H. R. 12676) which may be offered as an amendment. pp. 8732-34
6. WILDLIFE. A subcommittee of the Merchant Marine and Fisheries Committee ordered reported with amendment, H. R. 10244, to reaffirm the national policy regarding fish and wildlife resources. p. D479
7. PAY RAISES. The "Daily Digest" states as follows: "Committee on Rules: Held no hearing as scheduled on granting of a rule on S. 734, classified employees pay raise bill, inasmuch as the House will on Monday, June 2, consider the bill under the suspension of rules." p. D379
Rep. Sikes spoke in favor of pay raises for classified employees. p. 8731
8. ECONOMIC CONDITIONS. Several Representatives discussed current economic conditions, including references to farm income and prices. pp. 8751-57
9. LEGISLATIVE PROGRAM. Rep. McCormack announced the Consent Calendar will be called Mon., June 2, followed by consideration of the classified pay increase bill, and that the trade agreements bill will be considered later in the week. pp. 8749-50

10. FOREIGN TRADE; SURPLUS COMMODITIES. Reps. Hays and Coffin, in the report on their Special Study Mission to Canada, noted that the Canadians are disturbed over triangle and barter transactions under Public Law 480, and that they contend "The United States is exporting its own farm problem." Among their recommendations they urge that in exporting agricultural commodities, such as wheat, for local currencies, the U. S. should pay special attention to Canada's interest and avoid commercial markets. They suggest "The hazards of a joint United States-Canadian wheat marketing corporation should be explored." (H. Rept. 1766).

SENATE

11. AGRICULTURAL APPROPRIATION BILL FOR 1959. Agreed to the conference report on this bill, H. R. 11767. Concurred in the House amendments to the two Senate amendments reported in disagreement (see Digest 84). Sen. Mundt emphasized his understanding that the amendments would not decrease the payments made to conservationists engaged in action beneficial to wildlife. This bill will now be sent to the President. pp. 8713-16
12. APPROPRIATIONS. The Subcommittee ordered reported to the Appropriations Committee H. R. 10589, general government matters appropriation bill for 1959, and H. R. 11574, independent offices appropriation bill for 1959. p. D476
13. COTTON ALLOTMENTS. Passed without amendment S. 3890, to permit the transfer of 1958 farm acreage allotments for cotton in cases of natural disaster. Sens. Eastland, Knowland, and Kuchel discussed the interpretation of several terms in the bill. p. 8717
14. UNEMPLOYMENT COMPENSATION. Passed without amendment H. R. 12065, to provide for temporary continuation of unemployment benefits. This bill will now be sent to the President. pp. 8660-85, 8694-5, 8701-13, 8724-6
15. FOREIGN AID. Began debate on H. R. 12181, the mutual security authorization bill for 1958. pp. 8717-24
Sen. Javits inserted a resolution of the Long Island, N. Y., Federation of Women's Clubs urging the elimination of all nonessential spending in the foreign aid program. p. 8641
16. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendments S. Res. 303, to authorize a study of the U. S. transportation system, which was referred to the Rules and Administration Committee. p. 8642
17. TAXATION. Sen. Carlson was added as a cosponsor to S. 3718, to allow more rapid depreciation for taxes on property bought in 1958 or 1959. p. 8645
18. STATEHOOD. Sen. Mansfield urged passage of the Alaskan statehood bill in the House and invited the Senate to consider statehood for Hawaii. p. 8655
19. ELECTRIFICATION. Sen. Neuberger stated that following hearings the Public Works Committee staff would work on recommendations made to improve S. 3114, to create a Columbia River Power Corp., and S. 2206, to grant a higher priority to industrial users of power in the Pacific Northwest. He inserted an article stating that upstream-downstream disputes plus private-public utility conflicts over the preference clause were preventing agreement on a self-financed public power corporation for the Columbia Valley. p. 8692

20. HUMANE SLAUGHTER. Sen. Neuberger urged that the humane slaughter bill be reported by the Senate Committee, and inserted an editorial favoring it. pp. 8693-4
21. FLOOD CONTROL. Sen. Watkins inserted the statement of Matt Triggs of the Farm Bureau in opposition to S. 497, the vetoed rivers and harbors and flood control bill, centering on provisions allowing the Corps of Engineers to construct water-storage facilities without further action by Congress and continuing the assertion of Federal dominance over State water-use laws. pp. 8695-6
22. LANDS. Sen. Murray inserted the court opinion on the compensation for the Crow Indians for the right-of-way for the Yellowtail Dam site and reservoir, Hardin unit, Missouri River Basin project. pp. 8696-8701
23. PUBLIC WORKS. Sens. Chavez and Douglas discussed Sen. Chavez' position as Chairman of the Public Works Committee, and their respective views on public works projects. pp. 8687-8
24. HOUSING. Passed without amendment S. J. Res. 171, to increase the mortgage authorization of FHA by \$4 billion. pp. 8717-18
25. RESEARCH. Sen. Morse expressed his disappointment that no social scientist was nominated to the Board of the National Science Foundation. p. 8727
26. FOREIGN TRADE; SURPLUS COMMODITIES. Sen. Javits inserted a resolution of the faculty of Syracuse University urging Congress to amend Public Law 480 to permit the use of such funds to translate and acquire foreign scholarly works. p. 8640
27. TRADE AGREEMENTS. Sen. Javits inserted a resolution of the West Brooklyn, N. Y., Independent Democrats supporting extension of the Trade Agreements Act for 5 years. p. 8640

ITEMS IN APPENDIX

28. ELECTRIFICATION. Sen. Hill inserted Sen. Morse's recent address, "Power and Progress," before the American Public Power Ass'n convention. pp. A4905-7
29. INDUSTRIAL USES. Sen. Capehart inserted an article, "Federal Men Speed Search for Crop Uses, Slow Output Research." pp. A4911-2
30. SMALL BUSINESS. Rep. Multer inserted testimony presented before the Senate Banking and Currency Committee on proposed amendments to the Small Business Act of 1953 to aid in small business financing. pp. A4914-6
31. TAXATION. Extension of remarks of Sen. Proxmire commending and inserting an editorial criticizing the President's decision against a tax cut and stating the President seems to be "entranced with a Hooveresque view of the economy." p. A4921
32. TOBACCO. Extension of remarks of Rep. Cooley inserting correspondence pointing up certain facts with respect to tobacco's foreign-trade position. pp. A4922-3
33. FARM PROGRAM. Extension of remarks of Rep. Hillings inserting a "penetrating analysis of agriculture in a free economy" prepared by Claude Hutchison, vice president and dean of agriculture emeritus, University of California. pp. 4925-7

The Rules Committee in its wisdom has seen fit, upon the request of the Committee on Ways and Means, as both sides agreed this would be the only fair way to discuss this situation, to grant the rule that is now before you which makes in order the consideration of the Mills committee bill, H. R. 12591, waiving all points of order thereon, providing 8 hours of general debate, and then also making in order the offering of the Simpson bill, H. R. 12676, as an amendment or substitute for the Mills bill; so an opportunity will be given for the House to decide, in its own wisdom, whether it wants to have the act extended for a shorter time than 5 years, and for 2 years only, and to have an easier and more effective method by which American industries may obtain relief from unfair foreign competition.

Mr. MASON. Mr. Speaker, will the gentleman yield further?

Mr. BROWN of Ohio. I yield.

Mr. MASON. The gentleman left out the most important part of the Simpson bill, and that is the language that would return to the Congress the final say-so and approval of the Tariff Commission's recommendation.

Mr. BROWN of Ohio. It restores the authority of the Tariff Commission, I wish to add, and it also restores to the Congress a great deal of the power and control which it has given away in the past, the constitutionality of which, I might say to the gentleman from Illinois, many good lawyers question.

As an example—and I present it up here just to give an example of the kind of problem we face, for I get letters both ways on this—we had in my home county, of which Wilmington, Ohio, is the county seat, a little town about 4 miles away, with a population of about 50, a blacksmith, who, just after the Civil War, invented the first auger or bit to bore holes in wood. He hammered it out on his anvil and he went to the county seat of Wilmington and obtained the interest of a man named Irwin, and also of General Denver, after whom Denver, Colo., is named, and also of his son Matt Denver, who for many years was a distinguished Democratic Member of this House. They formed a little corporation and obtained patents, the first patents issued in the United States on bits or augers to bore holes. The Irwin Auger Bit Co. became the first company or plant in the world making these bits. For a great many years it did business all over the world. It still does business all over the world, but to a lesser degree than a few short years ago. The patents have expired. I had a letter from the company just a day or two ago, along with two sets of bits. You can see them here. They are in these plastic containers.

This set of bits which I hold in my hand was made in West Germany, and was purchased by the Irwin Auger Bit Co. from the Montgomery Ward Co. in Chicago for \$1.88. They are speed bits to use in electric drills to drill holes in wood.

Then here is the other set. It is made by the Irwin Auger Bit Co., by American labor. By the way, Irwin has laid off a great many men out there recently.

It has been forced to do so by foreign competition in American markets. Now, the people who invented this, who pioneered the use of these bits all over the world, sell these for \$4.50 a set. As I understand, it costs about \$3.65 to manufacture them before they are shipped out to the distributors. Yet, they bought the German set of bits for \$1.88, and that included the profit of Montgomery Ward. Tests show the German bits selling for \$1.88 are every bit as good as are the bits manufactured in my own district by the Irwin Auger Bit Co.

The difference, however, rests in some other things. First of all, the Irwin Auger Bit Co. pays anywhere from \$1.80 per hour for ordinary labor, to as high as \$3.50 or \$4 an hour for skilled labor. They have an 8-hour day and a 40-hour week. They are required to pay time and a half for overtime, and do all the other things required by our laws. In West Germany the labor cost is much cheaper, and the hours are much longer. The West Germans are fine people, I have no quarrel with them, but they find it possible to manufacture these bits with cheaper labor, and by working longer hours, on machine tools that, by the way, we have given them under some of our foreign-aid programs and to ship them clear over here and sell them at a price which will permit Montgomery Ward to make a profit on them when they retail them for \$1.88. As a result, I have good people in my district, workers at the Irwin Auger Bit Co., good mechanics who have labored there for years, and helped to develop these tools, now out of work. The company is operating on part time and on low production schedule. That is one of the problems brought up by the legislation which we will soon have before us. So I think it is well that we have brought out a rule that will give to this House the opportunity to consider a substitute bill which will make it easier for concerns like Irwin Auger Bit Co., or many other concerns that I could name, to obtain some relief and some protection from what most of us, I believe you and I will agree, is unfair foreign competition.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman.

Mr. MASON. The examples which the gentleman has brought to us indicating a doubling of cost to produce here, while the imported articles are sold for less than half, can be duplicated hundreds of times. I have seen dozens of such examples. How in the world we can compete against that under our present system of reciprocal trade agreements I do not know.

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman very much. Many of us could bring numerous examples such as I have given from their own districts. I know of the pottery industry in Ohio and from the district represented so ably by the gentleman from Ohio [Mr. HENDERSON] which have been virtually destroyed by unfair foreign competition. The plants are down; some of them have quit almost entirely and only a very few of them operating

at all. For instance, the Crooksville Pottery Co., which has been in operation 138 years, was forced out of business last month.

I hope this rule will be adopted.

The SPEAKER. The time of the gentleman from Ohio [Mr. BROWN] has again expired.

Mr. HENDERSON. Mr. Speaker, it is true, as our colleague the gentleman from Ohio [Mr. BROWN] has stated, that the pottery industry in the 15th District of Ohio has had a rough time of it in recent years. One pottery in Crooksville has closed its doors for all time, after many years of operation. Another pottery in a county adjoining my district has more recently closed. A large and well-known pottery in Cambridge has seriously felt the effects of foreign competition, and many men and women of Guernsey County have found themselves working only part time or not at all.

But more than the pottery industry is at stake here. Glass, ceramic tile, coal, oil, stainless-steel flatware, tools, and many others are being crowded and harmed by our trade policy. Mr. Speaker, if there is harm, then we need to try to correct the situation. It is sheer madness to continue the same policies where manifest harm to certain industries is so convincingly present. Therefore, I believe this House has a duty to adopt a rule which will permit the Members to express themselves upon this vital issue.

The rule being considered by the House will permit the amendment of the basic bill by the substitution of the Simpson bill. The Simpson amendment will reduce the extension of the act from 5 to 2 years, and in many other ways will provide a marked improvement over the Mills bill. I have introduced H. R. 12703, a bill similar to that of the Simpson bill, and I heartily endorse the principles embodied in the Simpson bill as a substitute for the committee bill, H. R. 12591.

The modified closed rule recommended by the Rules Committee will permit the introduction of the substitute, and for that reason I will support the rule, though I would prefer an open rule under which additional amendments would be in order.

Mr. BOLLING. Mr. Speaker, I understand the gentleman from Oklahoma [Mr. EDMONDSON] wishes to ask some questions and I yield to him for that purpose.

Mr. EDMONDSON. Mr. Speaker, there are some of us who are disturbed by the parliamentary situation which does not permit the House to work its will with regard to this legislation. I would like to ask the gentleman from Missouri in the first place if my understanding is correct that the only amendment specifically provided to be considered by the House under this rule is the amendment to be offered by the gentleman from Pennsylvania [Mr. SIMPSON] which may be otherwise identified as H. R. 12676?

Mr. BOLLING. The gentleman from Oklahoma is correct, except that committee amendments are also in order under the rule.

Mr. EDMONDSON. Mr. Speaker, I would like to ask the gentleman from Missouri if my understanding is correct that this rule does not permit, specifically at least, a vote of the House upon the so-called Ikard amendment which received, I understand, 10 votes in the Committee on Ways and Means?

Mr. BOLLING. The only amendments which will be in order under the rule are committee amendments and the amendment in the form of the bill, H. R. 12676, the so-called Simpson bill.

Mr. EDMONDSON. Mr. Speaker, I would like to ask the gentleman if it is possible that the Ikard amendment may be offered as a committee amendment in the course of the consideration of this bill?

Mr. BOLLING. That is a matter beyond my ability to answer, because that would be entirely in the control of the Committee on Ways and Means.

Mr. EDMONDSON. Mr. Speaker, I thank the gentleman.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

JOINT MEETING TO RECEIVE THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Thursday, June 5, 1958, for the Speaker to declare a recess for the purpose of receiving in joint meeting the President of the Federal Republic of Germany.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tomorrow to file certain privileged reports.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT APPROPRIATION BILL, 1959

The SPEAKER. The unfinished business is the conference report on the bill (H. R. 11767) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes.

The Clerk will report the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate No. 17, and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amend-

ment, insert "": *Provided further*, That hereafter no conservation reserve contract shall be entered into which provides for (1) payments for conservation practices in excess of the average rate for comparable practices under the agricultural conservation program, or (2) annual rental payments in excess of 20 percent of the value of the land placed under contract, such value to be determined without regard to physical improvements thereon or geographic location thereof. In determining the value of the land for this purpose, the county committee shall take into consideration the estimate of the landowner or operator as to the value of such land as well as his certificate as to the production history and productivity of such land."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

PAYMENT TO THE GOVERNMENT OF DENMARK

The SPEAKER. The further unfinished business is the bill (S. 2448) to authorize a payment to the Government of Denmark.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BENTLEY moves that the bill be recommitted to the Committee on Foreign Affairs for further study and revision.

The motion to recommit was rejected.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

ADMISSION OF THE STATE OF ALASKA INTO THE UNION

The SPEAKER. The further unfinished business is the consideration of the bill (H. R. 7999) to provide for the admission of the State of Alaska into the Union, on which a motion to recommit is pending.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ROGERS of Texas moves to recommit the bill to the Committee on Interior and Insular Affairs.

The SPEAKER. The question is on the motion to recommit.

Mr. O'BRIEN of New York. Mr. Speaker, on that I respectfully demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 174, nays 199, answered "present" 4, not voting 52, as follows:

[Roll No. 78]

YEAS—174

Abbott
Abernethy
Adair
Alexander
Alger
Allen, Ill.
Andrews
Arends
Ashmore

Avery
Ayres
Bailey
Barden
Bates
Baumhart
Beamer
Becker
Belcher

Bennett, Mich.
Betts
Blitch
Bolton
Bonner
Bosch
Boykin
Brooks, Tex.
Brown, Ga.

Brown, Ohio
Broyhill
Budge
Burleson
Bush
Byrnes, Wis.
Cannon
Cederberg
Chiperfield
Clevenger
Cooley
Coudert
Cramer
Cunningham, Nebr.
Dague
Davis, Ga.
Delaney
Derounian
Devereux
Dorn, N. Y.
Dorn, S. C.
Dowdy
Durham
Elliott
Everett
Fenton
Fino
Fisher
Flynt
Forrester
Fountain
Frazier
Gary
Gathings
Gavin
George
Grant
Gwinn
Haley
Halleck
Hardy
Harris
Harrison, Va.
Harvey
Hays, Ark.
Hemphill
Henderson
Herlong
Hess

Hiestand
Hill
Hoeven
Hoffman
Holt
Hosmer
Huddleston
Hyde
Ikard
Johansen
Jonas
Jones, Ala.
Kean
Kilday
Kilgore
Kitchin
Laird
Landrum
Latham
LeCompte
McCulloch
McGregor
McIntire
McMillan
McVey
Mahon
Martin
Mason
Matthews
Miller, Md.
Miller, N. Y.
Mills
Mitchell
Moore
Mumma
Murray
Nicholson
O'Neill
Ostertag
Patman
Patterson
Philbin
Pilcher
Pillion
Poage
Poff
Preston
Rains
Ray
Reed

NAYS—199

Addonizio
Albert
Allen, Calif.
Anderson, Mont.
Anfuso
Ashley
Aspinall
Baker
Baldwin
Baring
Barrett
Bass, N. H.
Bass, Tenn.
Beckworth
Bennett, Fla.
Berry
Blatnik
Boggs
Boland
Bolling
Bow
Boyle
Bray
Breeding
Broomfield
Brown, Mo.
Brownson
Byrd
Byrne, Ill.
Byrne, Pa.
Canfield
Carrigg
Celler
Chamberlain
Chenoweth
Christopher
Church
Clark
Coad
Coffin
Collier
Corbett
Cretella
Cunningham, Iowa
Curtin
Curtis, Mo.
Davis, Tenn.
Dawson, Ill.
Dawson, Utah
Dellay
Dennison

Dent
Denton
Dingell
Dixon
Dollinger
Donohue
Dooley
Dwyer
Eberharter
Edmondson
Evins
Fallon
Farbstein
Fascell
Felghan
Flood
Fogarty
Ford
Frelinghuysen
Friedel
Fulton
Garmatz
Glenn
Gordon
Granahan
Gray
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Hagen
Hale
Harden
Harrison, Nebr.
Haskell
Hays, Ohio
Healey
Heslton
Hollifield
Holland
Holmes
Holtzman
Horan
Jarman
Jennings
Jensen
Johnson
Jones, Mo.
Judd
Karsten
Kearns
Keating
Kee

Riley
Rivers
Roberts
Robeson, Va.
Rogers, Fla.
Rogers, Mass.
Rogers, Tex.
Rutherford
Sadlak
St. George
Schenck
Scherer
Schwengel
Scrivner
Scudder
Selden
Sikes
Simpson, Ill.
Simpson, Pa.
Smith, Miss.
Smith, Va.
Springer
Stauffer
Taber
Talle
Taylor
Teague, Calif.
Teague, Tex.
Thomas
Thornberry
Tuck
Utt
Van Pelt
Vursell
Walter
Wharton
Whitener
Whitten
Wigglesworth
Williams, Miss.
Williams, N. Y.
Willis
Wilson, Ind.
Winstead
Withrow
Wolverton
Young
Younger
Kelly, N. Y.
Keogh
King
Kirwan
Kluczynski
Knutson
Krueger
Lafore
Lane
Lankford
Lesinski
Libonati
Lipscomb
McCormack
McDonough
McFall
McGovern
McIntosh
Macdonald
Machrowicz
Mack, Ill.
Mack, Wash.
Madden
Magnuson
Mailliard
May
Meador
Morrow
Metcalf
Michel
Miller, Nebr.
Minshall
Montoya
Morano
Morgan
Moss
Moulder
Multer
Natcher
Nimtz
Norblad
Norrell
O'Brien, Ill.
O'Brien, N. Y.
O'Hara, Ill.
O'Konski
Osmers
Passman
Pelly
Perkins
Pfost
Polk
Porter

cases families will be forced to actually go hungry because they have no work and no more unemployment pay.

Unless halted, this human suffering will have a terrible effect on our national morale, our economy, and our entire system of free enterprise.

Today the world is divided into rival camps; the free world nations and the Communist camp. What we do, how we conduct ourselves, how we deal with our own people is under close scrutiny. We have the task of demonstrating to the world the superiority of democracy over police states—we have the duty of providing adequately for our own citizens. We have the obligation of extending the benefits of the unemployment compensation system so that every idle worker will be provided for, and at a realistic schedule of payments to meet today's high costs of living.

Let us keep faith with the jobless—let us extend the long hand of help to those out of work—let us help ourselves by putting these millions of dollars in purchasing power into the homes where privation dwells—let us give hope to the idle and make America economically strong once more. Above all, let us get these people back to work—but meanwhile we must give them help.

Mr. DIRKSEN. I suggest the absence of a quorum.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

The bill having been read the third time the question now is Shall it pass?

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Michigan [Mr. McNAMARA], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Michigan [Mr. McNAMARA], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

On this vote, the Senator from Tennessee [Mr. GORE] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting the Senator from Tennessee would vote "nay" and the Senator from Minnesota would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Indiana [Mr. JENNER] is necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] and the Senator from Minnesota [Mr. THYE] are absent on official business.

The Senator from Nevada [Mr. MALONE] is absent because of illness.

If present and voting, the Senator from Nebraska [Mr. HRUSKA] and the Senator from Nevada [Mr. MALONE] would each vote "yea."

The result was announced—yeas 80, nays 0, as follows:

YEAS—80

Alken	Fear	Morse
Allott	Goldwater	Morton
Barrett	Green	Mundt
Beall	Hayden	Neuberger
Bennett	Hennings	Pastore
Bible	Hickenlooper	Payne
Bricker	Hill	Potter
Bridges	Hobbs	Proxmire
Bush	Holland	Purtell
Butler	Ives	Revercomb
Byrd	Jackson	Robertson
Capehart	Javits	Russell
Carlson	Johnson, Tex.	Saltonstall
Carroll	Johnston, S. C.	Schoepfel
Case, N. J.	Jordan	Smathers
Case, S. Dak.	Kefauver	Smith, Maine
Clark	Kennedy	Smith, N. J.
Cooper	Kerr	Sparkman
Cotton	Knowland	Stennis
Curtis	Kuchel	Symington
Dirksen	Langer	Talmadge
Douglas	Lausche	Thurmond
Dworshak	Long	Watkins
Eastland	Magnuson	Wiley
Ellender	Mansfield	Williams
Ervin	Martin, Iowa	Young
Flanders	Martin, Pa.	

NOT VOTING—16

Anderson	Humphrey	Murray
Chavez	Jenner	O'Mahoney
Church	Malone	Thye
Fulbright	McClellan	Yarborough
Gore	McNamara	
Hruska	Monroney	

So the bill (H. R. 12065) was passed.

DEPARTMENT OF AGRICULTURE APPROPRIATIONS, 1959—CONFERENCE REPORT

Mr. GREEN obtained the floor.

Mr. RUSSELL. Mr. President, will the Senator yield for a privileged matter?

Mr. GREEN. I yield for that purpose.

Mr. RUSSELL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11767) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of May 26, 1958, p. 8482, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. RUSSELL. Mr. President, I move the adoption of the conference report.

Mr. MUNDT. Mr. President, on the conference report, I desire to develop a

little legislative history, for the guidance of the Department of Agriculture in administering the act. For that purpose, I ask the Senator from Georgia to be good enough to yield to me.

Mr. RUSSELL. I do not have the floor, but, if the Senator from Rhode Island is willing, I shall be glad to. I have the floor only by sufferance.

Mr. GREEN. Mr. President, I have had a half dozen Senators ask me to yield. Can the Senator give me an idea how long he will take?

Mr. MUNDT. I guarantee I shall take not longer than 2 minutes. I simply want to establish a record in conjunction with the approval of the conference report dealing with amendment numbered 17.

In the discussion of the conferees, it was the thoroughgoing understanding on the part of the conferees that by the action they were taking nothing was being done to decrease in any way the payments which are made available to conservationists engaged in action beneficial to wildlife.

I call attention to page 8631 of the CONGRESSIONAL RECORD, and the fact that it is also made a matter of legislative history in the House. Representative REUSS, of Wisconsin, had inserted in the RECORD an exchange of letters between himself and Representative WHITTEN, of Mississippi, which are self-explanatory.

The last paragraph of the letter of Representative WHITTEN reads:

Now as to practices for conservation of wildlife, I know of no comparable practices in the agricultural conservation program; however, should there be, I believe there should be a comparable rate of payment. I believe this to be the intent of the conferees.

I would appreciate having from the chairman of the Senate conferees concurrence in the feelings I have expressed.

Mr. RUSSELL. I would not want to undertake to say what was in the mind of every member of the conference, but the language of the amendment speaks for itself. It provides that no payment shall be made greater than for comparable practices under the agricultural conservation program.

So far as I am advised, there is no authority in the act under which the agricultural conservation program is administered to engage in any fish or wildlife conservation practice, so I do not see how there could be any conflict.

Mr. MUNDT. So there could not be any comparable practice. Is that correct?

Mr. RUSSELL. I do not think there could be, when no reference to fish and wildlife is mentioned in the ACP program.

Mr. MUNDT. I thank the Senator. With that understanding, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia that the Senate agree to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing

its action on certain amendments of the Senate to House bill 11767, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
May 27, 1958.

Resolved, That the House agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11767) entitled "An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes," and concur therein; and

That the House recede from its disagreement to the amendment of the Senate numbered 8, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert "*Provided further*, That no change shall be made in such 1959 program which will have the effect, in any county, of restricting eligibility requirements or cost-sharing on practices included in either the 1957 or the 1958 programs, unless such change shall have been recommended by the county committee and approved by the State committee."

IN THE HOUSE OF REPRESENTATIVES, U. S.,
May 28, 1958.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 17 to the bill (H. R. 11767) entitled "An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes", and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert "*Provided further*, That hereafter no conservation reserve contract shall be entered into which provides for (1) payments for conservation practices in excess of the

average rate for comparable practices under the agricultural conservation program, or (2) annual rental payments in excess of 20 percent of the value of the land placed under contract, such value to be determined without regard to physical improvements thereon or geographic location thereof. In determining the value of the land for this purpose, the county committee shall take into consideration the estimate of the landowner or operator as to the value of such land as well as his certificate as to the production history and productivity of such land."

Mr. RUSSELL. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 8 and 17.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia.

The motion was agreed to.

Mr. RUSSELL. Mr. President, I submit and ask unanimous consent to have printed in the RECORD a very brief statement on the conference report on H. R. 11767.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I shall make a very brief statement with respect to a few items in the conference report.

The budget estimates considered amounted to \$3,320,888,539, the House recommended \$3,216,988,539, and the Senate recommended \$3,207,973,039. The bill as agreed to by the conference appropriates a total of \$3,191,875,539, which is \$129,013,000 below the budget estimates. This reduction below the estimates was made possible by a reduction in the requirements for the conservation-re-

serve phase of the Soil Bank than was originally requested.

In conference with the House, the Senate was able to retain the increase for payments to State experiment stations of \$1,200,000 over the 1958 level and the budget request, thereby making a total for 1959 of \$31,553,708. Also, the Senate increase of \$3 million over the estimate for payments to States for cooperative extension work was also retained, thereby providing \$53,715,000 for this item.

In conference we were compelled to make a concession of \$15 million in the \$25 million increase over the House amount for the school-lunch program and restored the House language authorizing not to exceed \$35 million of section 32 funds for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act. The conference allowance thus provides a direct appropriation of \$110 million and authorizes \$35 million of section 32 funds, making a total increase over 1958 of \$45 million in direct appropriation and in the use of section 32 funds.

I believe that the net result of the conference report is to assure a workable bill and to provide the Department with sufficient funds to carry on its activities during fiscal 1959.

Mr. RUSSELL. Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD a table on the agricultural appropriation bill showing a comparison between appropriations and authorizations for 1958, estimates for 1959, and the amounts recommended by the House and Senate, together with the conference allowances.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparative statement of appropriations and authorizations for 1958, and estimates and amounts recommended in bill for 1959, with conference allowances

REGULAR ACTIVITIES (TITLE I)

Agency and item	Appropriations, 1958	Estimates 1959	Recommended in House bill for 1959	Amount recommended in Senate bill	Conference allowance, 1959
Agricultural Research Service:					
Salaries and expenses:					
Research.....	\$57,794,890	\$60,744,890	\$58,444,890	\$59,362,390	\$59,044,890
Plant and animal disease and pest control.....	30,082,000	42,132,000	41,732,000	47,132,000	47,132,000
Meat inspection.....	16,826,000	17,326,000	24,326,000	17,326,000	17,326,000
Total, salaries and expenses.....	104,702,890	120,202,890	124,502,890	123,820,390	123,502,890
State experiment stations:					
Payments to States, Hawaii, Alaska, and Puerto Rico.....	30,353,708	30,353,708	30,353,708	31,553,708	31,553,708
Penalty mail.....	250,000	250,000	250,000	250,000	250,000
Total, State experiment stations.....	30,603,708	30,603,708	30,603,708	31,803,708	31,803,708
Total, Agricultural Research Service.....	135,306,598	150,806,598	155,106,598	155,624,098	
Extension Service:					
Payments to States, Hawaii, Alaska, and Puerto Rico.....	50,715,000	50,715,000	50,715,000	53,715,000	53,715,000
Retirement costs for extension agents.....	5,260,000	5,479,375	5,479,375	5,479,375	5,479,375
Penalty mail.....	2,164,000	1,868,480	1,868,480	1,868,480	1,868,480
Federal Extension Service.....	2,096,540	2,096,540	2,096,540	2,096,540	2,096,540
Total, Extension Service.....	60,235,540	60,159,395	60,159,395	63,159,395	63,159,395
Farmer Cooperative Service.....	578,000	578,000	578,000	578,000	578,000
Soil Conservation Service:					
Conservation operations.....	72,545,000	72,280,000	74,780,000	74,780,000	74,780,000
Watershed protection.....	25,500,000	24,000,000	25,500,000	25,500,000	25,500,000
Flood prevention.....	13,220,000	18,000,000	18,000,000	18,000,000	18,000,000
Water conservation and utilization projects.....	350,000	335,000	335,000	335,000	335,000
Great Plains conservation program.....	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total, Soil Conservation Service.....	121,615,000	124,615,000	128,615,000	128,615,000	128,615,000
Agricultural Conservation Program Service:					
Agricultural conservation program.....	212,000,000	235,000,000	235,000,000	235,000,000	235,000,000
Emergency conservation measures.....	20,000,000				
Total, Agricultural Conservation Program Service.....	232,000,000	235,000,000	235,000,000	235,000,000	235,000,000
Agricultural Marketing Service:					
Marketing research and service:					
Marketing research and agricultural estimates.....	14,116,700	14,095,000	14,095,000	14,287,000	14,195,000
Marketing services.....	15,574,900	21,197,000	21,097,000	21,272,000	20,659,000
Total, marketing research and service.....	29,691,600	35,292,000	35,192,000	35,559,000	34,854,000

Footnotes at end of table.

Comparative statement of appropriations and authorizations for 1958, and estimates and amounts recommended in bill for 1959, with conference allowances—Continued

REGULAR ACTIVITIES (TITLE I)—Continued

Agency and item	Appropriations, 1958	Estimates 1959	Recommended in House bill for 1959	Amount recommended in Senate bill	Conference allowance, 1959
Agricultural Marketing Service—Continued					
Payments to States, Territories, and possessions.....	\$1,160,000	\$1,160,000	\$1,160,000	\$1,160,000	\$1,160,000
School lunch program.....	100,000,000	100,000,000	¹ 100,000,000	¹ 125,000,000	¹ 110,000,000
Total, Agricultural Marketing Service.....	130,851,600	136,452,000	129,352,000	161,719,000	146,014,000
Foreign Agricultural Service.....	4,002,300	4,002,300	4,002,300	4,002,300	4,002,300
Commodity Exchange Authority.....	832,000	832,000	832,000	832,000	832,000
Soil Bank programs:					
Conservation reserve.....	162,940,000	350,000,000	250,000,000	200,000,000	200,000,000
Acreage reserve.....	² 600,000,000	330,000,000	330,000,000	330,000,000	330,000,000
Total, Soil Bank programs.....	² 762,940,000	680,000,000	580,000,000	530,000,000	530,000,000
Commodity Stabilization Service:					
Acreage allotments and marketing quotas.....	40,715,000	39,715,000	39,715,000	39,715,000	39,715,000
Sugar Act program.....	67,662,500	76,000,000	71,000,000	76,000,000	76,000,000
Total, Commodity Stabilization Service.....	108,377,500	115,715,000	110,715,000	³ 115,715,000	115,715,000
Federal Crop Insurance Corporation: Operating and administrative expenses.....	6,376,700	6,376,700	6,376,700	6,376,700	6,376,700
Rural Electrification Administration: Salaries and expenses.....	9,030,950	9,019,000	9,019,000	9,019,000	9,019,000
Farmers' Home Administration: Salaries and expenses.....	29,089,500	29,089,500	29,089,500	29,089,500	29,089,500
Office of General Counsel.....	2,943,000	3,043,000	2,943,000	3,043,000	2,968,000
Office of Secretary.....	2,660,660	2,660,660	⁴ 2,668,895	2,668,895	2,668,895
Office of Information.....	1,367,500	1,367,500	⁵ 1,359,265	1,359,265	1,359,265
Library.....	772,000	772,000	772,000	772,000	772,000
Total, regular activities.....	1,608,978,848	1,560,488,653	1,456,588,653	1,447,573,163	1,431,475,653

CORPORATIONS (TITLE II)

Federal Crop Insurance Corporation Fund.....	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)
Commodity Credit Corporation:					
Restoration of capital impairment.....	1,239,788,671	1,760,399,886	1,760,399,886	1,760,399,886	1,760,399,886
Administrative expense limitation.....	(35,398,000)	(36,100,000)	(35,398,000)	(35,398,000)	(35,398,000)
Total Corporations.....	1,239,788,671	1,760,399,886	1,760,399,886	1,760,399,886	1,760,399,886

SPECIAL ACTIVITIES

Reimbursements to Commodity Credit Corporation:					
Animal disease eradication.....	\$18,581,660	(⁶)			
Grading and classing.....	80,449	(⁶)			
Special commodity disposal programs.....	824,414,129	(⁶)			
Total, special activities.....	843,076,238	(⁶)			

RELATED AGENCIES (TITLE III)

Farm Credit Administration.....	(\$2,200,000)	(\$2,125,000)	(\$2,125,000)	(\$2,125,000)	(\$2,125,000)
Federal Intermediate credit banks.....	(3,375,000)	(1,693,000)	(1,693,000)	(1,693,000)	(1,693,000)
Total, related agencies.....	(5,575,000)	(3,818,000)	(3,818,000)	(3,818,000)	(3,818,000)
Total, titles I through III.....	3,691,843,757	3,320,888,539	3,216,988,539	3,207,973,039	
Add: Amounts contained in Second Supplemental Appropriation Act, 1958.....	2,235,388,118				
Total, including supplemental items.....	5,927,231,875	3,320,888,539	3,216,988,539	3,207,973,039	3,191,875,539

¹ In addition, \$6,250 included in Second Supplemental Appropriation Act, 1958, for pear decline research.

² Includes \$20,000,000 direct appropriation for eradication of brucellosis previously financed from CCC funds.

³ Funds for mandatory poultry inspection under Public Law 85-172 transferred to appropriation for "meat inspection" by the House but restored to "marketing services" in the Senate bill.

⁴ Amended by H. Doc. 351, dated Mar. 12, 1958.

⁵ Language in House bill transfers \$55,000,000 to this appropriation from sec. 32 funds for purchase and distribution of additional agricultural commodities for school lunch use; Senate struck House proviso and increased appropriation \$25 million;

and conference allowed appropriation of \$115,000,000 and \$35,000,000 transfer from sec. 32.

⁶ \$250,000 additional included in Second Supplemental Appropriation Act, 1958.

⁷ In addition, reimbursement to CCC for costs incurred for Soil Bank programs through June 30, 1957, in amount of \$489,500,000 contained in Second Supplemental Appropriation Act, 1958.

⁸ The sum of \$8,235 transferred from Office of Information to Office of Secretary to permit preparation and distribution of speeches by the Secretary, Under Secretary, and Assistant Secretaries in the Secretary's immediate office.

⁹ No estimates included in budget for 1959. Amounts for these items totaling \$1,745,631,868 are contained in Second Supplemental Appropriation Act, 1958.

Loan authorizations

Agency and item	Authorizations, 1958	Estimates, 1959	Recommended in House bill for 1959	Amount recommended in Senate bill	Conference allowance, 1959
Rural Electrification Administration:					
Electrification.....	\$179,000,000	\$150,000,000	¹ \$300,000,000	¹ \$317,000,000	¹ \$317,000,000
Telephone.....	60,000,000	56,000,000	¹ 60,000,000	¹ 67,500,000	¹ 67,500,000
Total, Rural Electrification Administration.....	239,000,000	206,000,000	360,000,000	384,500,000	384,500,000
Farmers' Home Administration:					
Farm ownership and farm housing.....	24,000,000	(²)	24,000,000	24,000,000	24,000,000

Footnotes at end of table.

Loan authorizations—Continued

Agency and item	Authorizations, 1958	Estimates 1959	Recommended in House bill for 1959	Amount recommended in Senate bill	Conference allowance, 1959
Farmers' Home Administration—Continued					
Farm operating (production and subsistence).....	\$180,000,000	(2)	³ \$180,000,000	² \$180,000,000	\$180,000,000
Soil and water conservation.....	5,500,000	(2)	5,500,000	5,500,000	5,500,000
Total, Farmers' Home Administration.....	209,500,000	175,000,000	209,500,000	² 209,500,000	³ 209,500,000
Total, loan authorizations.....	448,500,000	381,000,000	569,500,000	594,000,000	-----

¹ In addition, contingency funds of \$25,000,000 for each program authorized.² Budget proposed to appropriate lump-sum amount to be used for all categories of loans at discretion of Secretary of Agriculture.³ In addition, contingency fund of \$20,000,000 authorized; as amended by Senate; use is not restricted to farm operating loans.

Permanent authorizations

Agency and item	Authorizations, 1958	Estimates, 1959	Increase or decrease
Agricultural Marketing Service:			
Removal of surplus agricultural commodities.....	\$220,878,158	\$232,500,000	+\$11,621,842
Perishable Agricultural Commodities Act fund.....	662,000	679,600	+17,600
Total, Agricultural Marketing Service.....	221,540,158	233,179,600	+11,639,442
Commodity Stabilization Service: National Wool Act.....	29,671,679	30,000,000	+328,321
Total, permanent appropriations.....	251,211,837	263,179,600	+11,967,763

AMENDMENT OF NATIONAL HOUSING ACT

Mr. GREEN. Mr. President—

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. GREEN. I yield for a conference report.

Mr. SPARKMAN. No. It is a brief joint resolution.

Mr. President, I move that the Senate proceed to the consideration of calendar 1645, Senate Joint Resolution 171.

The PRESIDING OFFICER. The resolution will be stated by title.

The CHIEF CLERK. A joint resolution (S. J. Res. 171) to amend section 217 of the National Housing Act.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama.

The motion was agreed to; and the Senate proceeded to consider the joint resolution.

Mr. SPARKMAN. Mr. President, I may say the joint resolution would give the FHA additional insurance authority of \$4 billion. The present insurance limit is \$25,800,000,000. It has reached approximately that level. The FHA needs additional insurance authorization. The joint resolution would authorize \$4 billion additional.

I have read the remarks made by the distinguished Senator from Indiana [Mr. CAPEHART] who is a cosponsor of the joint resolution with me. No politics has been involved. There has been no delay in connection with the joint resolution. When the suggestion was made yesterday as to the possibility of taking up the joint resolution, I sent word that I was engaged in committee. So was the Senator from Arkansas [Mr. FULBRIGHT] and so was the Senator from Indiana [Mr. CAPEHART]. So I spoke to the majority leader. He assured me it would be taken up at the conclusion of action on the unemployment compensation bill.

I am glad to have the opportunity to bring the joint resolution before the Senate. I hope it will be speedily approved.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island has the floor. Does he yield, and, if so, to whom?

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLOTT. May I ask the Chair how it is possible to have a piece of business considered on the floor and have a Senator control the floor without an opportunity being given to Senators to speak to the business?

Mr. MANSFIELD. Mr. President, in response to the parliamentary inquiry raised, if it is one, I may state that the Senator from Rhode Island has the floor. He has been good enough to yield, in order that necessary proposed legislation may be passed, before he delivers his own speech on mutual security.

The PRESIDING OFFICER. The Chair had understood that the Senator from Rhode Island had yielded for that purpose. The Chair will inquire of the Senator from Rhode Island if he objects to this procedure.

Mr. GREEN. Mr. President, I am sorry this question has been raised. I was afraid the question would be raised. I think 5 or 6 different Senators have asked me to yield. Each one is a good friend of mine, and each one is very persuasive. I am in an awkward predicament. The Senator from Alabama [Mr. SPARKMAN] stated he would take only 2 minutes.

Mr. SPARKMAN. I took less.

Mr. GREEN. The Senator is not through yet.

Mr. SPARKMAN. Yes; I am.

Mr. PURTELL. The joint resolution has not been passed.

Mr. SMATHERS. Mr. President—
The PRESIDING OFFICER. The Senator from Florida.

Mr. SMATHERS. May we have a vote on the motion of the able Senator from Alabama?

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

Mr. ALLOTT. Mr. President—

Mr. SPARKMAN. I understand the Senator from Colorado wishes to make an insertion in the RECORD.

Mr. ALLOTT. I do. I have a statement which I have prepared and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ALLOTT

It seems to me that the Senate of the United States has been put into an absolutely ridiculous position in the last 24 hours. We are debating and deciding upon ways in which we can help our unemployed—ways in which we can give them money for sustenance for themselves and their families until such time as they can find jobs. On the other hand, we are refused an opportunity to take an action which obviously can help create jobs for the very same people.

It was only 2 months ago that we took 1 such action. We passed an emergency housing bill to stimulate building construction. The legislation has helped to stimulate that building. We have reached the point that now the Federal Housing Administration has exhausted its authority to insure mortgages on further construction. On Tuesday, the FHA was forced to telegraph its State directors to discontinue insurance of FHA mortgages. This means that many people are not going to be able to carry out their present plans to build houses under FHA mortgages. In just a few short hours, this has created new chaos in the construction trades, the real estate business, and many of our lending institutions, as well as building-supply houses and will soon have its effect on lumber and similar industries. It means purely and simply that instead of cutting unemployment, we are again going to create unemployment.

As housing boomed in recent weeks, the administration foresaw the fact that FHA would be exhausting its current insurance authorization. On May 12 a resolution was introduced by the Senator from Alabama (Mr. SPARKMAN) and the Senator from Indiana (Mr. CAPEHART) to extend that authorization by \$4 billion. On May 20 the Committee on Banking and Currency unanimously and favorably reported Senate Joint Resolution 171. It has been before the Senate ever since, and yet we have not

Public Law 85-459
85th Congress, H. R. 11767
June 13, 1958

AN ACT

Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, namely:

Department of Agriculture and Farm Credit Administration Appropriation Act, 1959.

DEPARTMENT OF AGRICULTURE

TITLE I—REGULAR ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production and utilization, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That not to exceed \$75,000 of the appropriations hereunder shall be available for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a): *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two, of which one shall be for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except greenhouses) shall not exceed \$10,000, except for five buildings to be constructed or improved at a cost not to exceed \$20,000 each, and the cost of altering any one building during the fiscal year shall not exceed \$3,750 or 4 per centum of the cost of the building, whichever is greater:

58 Stat. 742.
60 Stat. 810.

Research: For research and demonstrations on the production and utilization of agricultural products, and related research and services, including administration of payments to State agricultural experiment stations; \$59,044,890: *Provided*, That the limitations contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U. S. C. 113a);

72 Stat. 188.
72 Stat. 189.
62 Stat. 198.

Plant and animal disease and pest control: For operations and measures to control and eradicate pests and plant and animal diseases and for carrying out assigned inspection, quarantine and regulatory activities, as authorized by law; \$47,132,000, of which \$1,000,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases to the extent necessary to meet emergency conditions;

64 Stat. 765.
31 USC 665.

Meat inspection: For carrying out the provisions of laws relating to Federal inspection of meat, and meat-food products, and the applicable provisions of the laws relating to process or renovated butter; \$17,326,000.

STATE EXPERIMENT STATIONS

- Payments to States, Hawaii, Alaska, and Puerto Rico: For payments to agricultural experiment stations to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U. S. C. 361a-361i), including administration by the United States Department of Agriculture, \$31,053,708; and payments authorized under section 204 (b) of the Agricultural Marketing Act, the Act approved August 14, 1946 (7 U. S. C. 1623), \$500,000; in all, \$31,553,708.
- Penalty mail: For penalty mail costs of agricultural experiment stations, under section 6 of the Hatch Act of 1887, as amended, \$250,000.

DISEASES OF ANIMALS AND POULTRY

- Eradication activities: For expenses necessary in the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for foot-and-mouth disease and rinderpest programs undertaken pursuant to the provisions of the Act of February 28, 1947, and the Act of May 29, 1884, as amended (7 U. S. C. 391; 21 U. S. C. 111-122), including expenses in accordance with section 2 of said Act of February 28, 1947, the Secretary may transfer from other appropriations or funds available to the bureaus, corporations, or agencies of the Department such sums as he may deem necessary, but not to exceed \$1,000,000 for eradication of vesicular exanthema of swine, to be available only in an emergency which threatens the livestock or poultry industry of the country, and any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts: *Provided*, That this appropriation shall be subject to applicable provisions contained in the item "Salaries and expenses, Agricultural Research Service".

EXTENSION SERVICE

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

- Payments to States, Hawaii, Alaska, and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U. S. C. 341-348), and the Act of August 11, 1955 (7 U. S. C. 347a), \$52,220,000; and payments and contracts for such work under section 204 (b)-205 of the Agricultural Marketing Act of 1946 (7 U. S. C. 1623-1624), \$1,495,000; in all, \$53,715,000: *Provided*, That funds hereby appropriated pursuant to section 3 (c) of the Act of June 26, 1953, shall not be paid to any State, Hawaii, Alaska, or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Retirement costs for extension agents: For cost of employer's share of Federal retirement for cooperative extension employees, \$5,479,375.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, \$1,868,480.

- Federal Extension Service: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U. S. C. 341-348), and the Act of August 11, 1955 (7 U. S. C. 347a), and extension aspects of the Agricultural Marketing Act of 1946 (7 U. S. C. 1621-1627), and to coordinate and provide program leadership for the extension work of the Department and the several States, Territories, and insular possessions, \$2,096,540.

FARMER COOPERATIVE SERVICE

SALARIES AND EXPENSES

For necessary expenses to carry out the Act of July 2, 1926 (7 U. S. C. 451-457), \$578,000. 44 Stat. 802.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U. S. C. 590a-590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the silting of reservoirs); operation of conservation nurseries; classification and mapping of soils; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft; \$74,780,000: *Provided*, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$2,500, except for eight buildings to be constructed or improved at a cost not to exceed \$15,000 per building and except that alterations or improvements to other existing permanent buildings costing \$2,500 or more may be made in any fiscal year in an amount not to exceed \$500 per building: *Provided further*, That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further*, That in the State of Missouri, where the State has established a central State agency authorized to enter into agreements with the United States or any of its agencies on policies and general programs for the saving of its soil by the extension of Federal aid to any soil conservation district in such State, the agreements made by or on behalf of the United States with any such soil conservation district shall have the prior approval of such central State agency before they shall become effective as to such district: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U. S. C. 590a-590f), in demonstration projects: *Provided further*, That not to exceed \$5,000 may be used for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a): *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service.

49 Stat. 163.

Restrictions.

49 Stat. 163.

72 Stat. 190.

72 Stat. 191.

58 Stat. 742.

60 Stat. 810.

WATERSHED PROTECTION

For expenses necessary to conduct surveys, investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U. S. C. 1001-1007), and the provisions of the Act of April 27, 1935 (16 U. S. C. 590a-590f), to remain available until expended, \$25,500,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to

68 Stat. 666.

49 Stat. 163.

the Department for watershed protection purposes: *Provided*, That not to exceed \$100,000 may be used for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a).

58 Stat. 742.
60 Stat. 810.

FLOOD PREVENTION

For expenses necessary, in accordance with the Flood Control Act, approved June 22, 1936 (33 U. S. C. 701-709), as amended and supplemented, and in accordance with the provisions of laws relating to the activities of the Department, to perform works of improvement, including not to exceed \$100,000 for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), to remain available until expended, \$18,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood prevention purposes: *Provided*, That no part of such funds shall be used for the purchase of lands in the Yazoo and Little Tallahatchie watersheds without specific approval of the county board of supervisors of the county in which such lands are situated.

58 Stat. 742.
60 Stat. 810.

WATER CONSERVATION AND UTILIZATION PROJECTS

For expenses necessary to carry out the functions of the Department under the Acts of August 11, 1939, and October 14, 1940 (16 U. S. C. 590y-z-10), as amended and supplemented, June 28, 1949 (63 Stat. 277), and September 6, 1950 (7 U. S. C. 1033-39), relating to water conservation and utilization projects, to remain available until expended, \$335,000, which sum shall be merged with the unexpended balances of funds heretofore appropriated to said Department for the purpose of said Acts.

53 Stat. 1418.
54 Stat. 1119.
64 Stat. 769.

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16 (b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 (16 U. S. C. 590p), \$10,000,000 to remain available until expended.

72 Stat. 191.
72 Stat. 192.

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16 (a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U. S. C. 590g-590 (o), 590p (a), and 590q), including not to exceed \$6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States; \$235,000,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the program of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1958, carried out during the period July 1, 1957, to December 31, 1958, inclusive: *Provided*, That not to exceed \$24,698,000 of the total sum provided under this head shall be available during the current fiscal year for administrative expenses for carrying out such program, the cost of aerial photographs, however, not to be charged to such limitation; but not more than \$5,025,800 shall be transferred to the appropriation account "Administrative

49 Stat. 1148.

71 Stat. 336.

expenses, section 392, Agricultural Adjustment Act of 1938": *Provided further*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That such amounts shall be available for administrative expenses in connection with the formulation and administration of the 1959 program of soil-building and soil- and water-conserving practices, under the Act of February 29, 1936, as amended (amounting to \$250,000,000, including administration, and no participant shall receive more than \$2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further*, That no change shall be made in such 1959 program which will have the effect, in any county, of restricting eligibility requirements or cost-sharing on practices included in either the 1957 or the 1958 programs, unless such change shall have been recommended by the county committee and approved by the State committee: *Provided further*, That not to exceed 5 per centum of the allocation for the 1959 agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the 1959 program \$2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices and \$1,000,000 shall be available for conservation practices related directly to flood prevention work in approved watersheds: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

52 Stat. 69.
7 USC 1392.

49 Stat. 1148.
16 USC 590g-
590q.

72 Stat. 192.
72 Stat. 193.
Restriction.

53 Stat. 1147.
5 USC 118k note.
62 Stat. 792.

AGRICULTURAL MARKETING SERVICE

MARKETING RESEARCH AND SERVICE

For expenses necessary to carry on research and service to improve and develop marketing and distribution relating to agriculture as authorized by the Agricultural Marketing Act of 1946 (7 U. S. C. 1621-1627) and other laws, including the administration of marketing regulatory acts connected therewith: *Provided*, That appropriations hereunder shall be available pursuant to 5 U. S. C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of erecting any one building shall not exceed \$10,000, except for two buildings to be constructed or improved at a cost not to exceed \$20,000 each, and the cost of altering any one building during the fiscal year shall not exceed \$3,750 or 3 per centum of the cost of the building, whichever is greater:

60 Stat. 1087.

58 Stat. 742.

Marketing research and agricultural estimates: For research and development relating to agricultural marketing and distribution, for analyses relating to farm prices, income and population, and demand for farm products, and for crop and livestock estimates, \$14,195,000: *Provided*, That not less than \$350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and the consumer: *Provided further*, That no part of the funds herein appropriated shall be available for any expense incident to ascertaining, collating, or publishing a report stating the intention of farmers as to the acreage to be planted in cotton, or for estimates of apple production for other than the commercial crop;

58 Stat. 742.

60 Stat. 810.

52 Stat. 36.

60 Stat. 1088.

7 USC 1622.

Marketing services: For services relating to agricultural marketing and distribution, for carrying out regulatory acts connected therewith, and for administration and coordination of payments to States, \$20,659,000, including not to exceed \$25,000 for employment at rates not to exceed \$50 per diem, except for employment in rate cases at not to exceed \$100 per diem pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), in carrying out section 201 (a) to 201 (d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U. S. C. 1291) and section 203 (j) of the Agricultural Marketing Act of 1946.

PAYMENTS TO STATES, TERRITORIES, AND POSSESSIONS

72 Stat. 193.

72 Stat. 194.

60 Stat. 1089.

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204 (b) of the Agricultural Marketing Act of 1946 (7 U. S. C. 1623 (b)), \$1,160,000.

SCHOOL LUNCH PROGRAM

60 Stat. 230.

42 USC 1754.

49 Stat. 774.

7 USC 612c.

42 USC 1755.

For necessary expenses to carry out the provisions of the National School Lunch Act (42 U. S. C. 1751-1760), \$110,000,000: *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act: *Provided further*, That \$35,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act, such additional funds to be used for the general purposes of section 32.

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U. S. C. 1761-1768), and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$25,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U. S. C. 1766), \$4,002,300: *Provided*, That not less than \$400,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

68 Stat. 908.

70 Stat. 1034.

COMMODITY EXCHANGE AUTHORITY

SALARIES AND EXPENSES

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U. S. C. 1-17a), \$832,000.

49 Stat. 1491.

SOIL BANK PROGRAMS

CONSERVATION RESERVE PROGRAM

For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U. S. C. 1831-1837 and 1802-1814), \$200,000,000: *Provided*, That not to exceed \$16,000,000 shall be available for administrative expenses of which not less than \$12,750,000 may be transferred to the appropriation account "Local administration, section 388, Agricultural Adjustment Act of 1938": *Provided further*, That no part of this appropriation shall be used to enter into contracts with producers which together with contracts already entered into would require payments to producers (including the cost of materials and services) in excess of \$375,000,000 in any calendar year, and for purposes of applying this limitation, practice payments shall be chargeable to the first year of the contract period: *Provided further*, That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on annual payments to participants: *Provided further*, That hereafter no conservation reserve contract shall be entered into which provides for (1) payments for conservation practices in excess of the average rate for comparable practices under the Agricultural Conservation Program, or (2) annual rental payments in excess of 20 per cent of the value of the land placed under contract, such value to be determined without regard to physical improvements thereon or geographic location thereof. In determining the value of the land for this purpose, the county committee shall take into consideration the estimate of the landowner or operator as to the value of such land as well as his certificate as to the production history and productivity of such land.

70 Stat. 191,
196.52 Stat. 68.
7 USC 1388.72 Stat. 194.
72 Stat. 195.

ACREAGE RESERVE PROGRAM

For necessary expenses to carry out an acreage reserve program in accordance with the provisions of subtitles A and C of the Soil Bank Act (7 U. S. C. 1821-1824 and 1802-1814), \$330,000,000: *Provided*, That not to exceed \$13,000,000 of the total sum provided under this head shall be available for administrative expenses: *Provided further*, That no part of this appropriation shall be used to formulate and administer an acreage reserve program with respect to the 1959 crops.

70 Stat. 189,
196.

COMMODITY STABILIZATION SERVICE

ACREAGE ALLOTMENTS AND MARKETING QUOTAS

52 Stat. 38. For necessary expenses to formulate and carry out acreage allotment and marketing quota programs pursuant to provisions of title III of the Agricultural Adjustment Act of 1938, as amended (7 U. S. C. 1301-1393), \$39,715,000, of which not more than \$6,380,100 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938".

SUGAR ACT PROGRAM

61 Stat. 922. For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U. S. C. 1101-1161), \$76,000,000, to remain available until June 30 of the next succeeding fiscal year: *Provided*, That expenditures (including transfers) from this appropriation for other than payments to sugar producers shall not exceed \$2,124,500.

FEDERAL CROP INSURANCE CORPORATION

OPERATING AND ADMINISTRATIVE EXPENSES

For operating and administrative expenses, \$6,376,700.

RURAL ELECTRIFICATION ADMINISTRATION

49 Stat. 1363. To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U. S. C. 901-924), as follows:

LOAN AUTHORIZATIONS

7 USC 907,
903. For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3 (a) of said Act as follows: Rural electrification program, \$317,000,000; and rural telephone program, \$67,500,000; and additional amounts, not to exceed \$25,000,000 for each program, may be borrowed under the same terms and conditions to the extent that such amount is required during the fiscal year 1959 under the then existing conditions for the expeditious and orderly development of the rural electrification program and rural telephone program.

72 Stat. 195.
72 Stat. 196.

SALARIES AND EXPENSES

58 Stat. 742. For administrative expenses, including not to exceed \$500 for financial and credit reports, and not to exceed \$150,000 for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), \$9,019,000.

60 Stat. 810.

FARMERS' HOME ADMINISTRATION

50 Stat. 522. To carry into effect the provisions of titles I, II, and the related provisions of title IV of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1000-1031); the Farmers' Home Administration Act of 1946 (7 U. S. C. 1001, note; 31 U. S. C. 82h; 12 U. S. C. 371; 35 D. C. Code 535; 60 Stat. 1062-1080); the Act of July 30, 1946 (40 U. S. C. 436-439); the Act of August 28, 1937, as amended (16 U. S. C. 590r-590x-3), for the development of facilities for water storage and utilization in the arid and semiarid areas of the United

60 Stat. 711.
50 Stat. 869;
63 Stat. 735.

States; the provisions of title V of the Housing Act of 1949, as amended (42 U. S. C. 1471-1483), relating to financial assistance for farm housing; the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U. S. C. 440-444); the items "Loans to farmers, 1948 flood damage" in the Act of June 25, 1948 (62 Stat. 1038), and "Loans to farmers, property damage" in the Act of May 24, 1949 (63 Stat. 82); the collecting and servicing of credit sales and development accounts in water conservation and utilization projects (53 Stat. 685, 719), as amended and supplemented (16 U. S. C. 590y, z—1 and z—10); and the Act to direct the Secretary of Agriculture to convey certain mineral interests, approved September 6, 1950 (7 U. S. C. 1033-1039), as follows:

LOAN AUTHORIZATIONS

For loans (including payments in lieu of taxes and taxes under section 50 of the Bankhead-Jones Farm Tenant Act, as amended, and advances incident to the acquisition and preservation of security of obligations under the foregoing several authorities, except that such advances under title V of the Housing Act of 1949, as amended, shall be made from funds obtained under section 511 of that Act, as amended): Title I and section 43 of title IV of the Bankhead-Jones Farm Tenant Act, as amended, \$24,000,000, of which not to exceed \$2,500,000 may be distributed to States and Territories without regard to farm population and prevalence of tenancy, in addition to the amount otherwise distributed thereto, for loans in reclamation projects and to entrymen on unpatented public land; title II of the Bankhead-Jones Farm Tenant Act, as amended, \$180,000,000; the Act of August 28, 1937, as amended, \$5,500,000: *Provided*, That not to exceed the foregoing several amounts shall be borrowed in one account from the Secretary of the Treasury in accordance with the provisions set forth under this head in the Department of Agriculture Appropriation Act, 1952: *Provided further*, That an additional amount, not to exceed \$20,000,000, may be borrowed under the same terms and conditions to the extent that such amount is required during fiscal year 1959 under the then existing conditions for the expeditious and orderly conduct of the loan programs under the Bankhead-Jones Farm Tenant Act, as amended, not to exceed \$5,000,000 of which shall be available for loans under title I and section 43 of title IV of such Act, as amended.

SALARIES AND EXPENSES

For making, servicing, and collecting loans and insured mortgages, the servicing and collecting of loans made under prior authority, the liquidation of assets transferred to Farmers' Home Administration, and other administrative expenses, \$29,089,500, together with a transfer of not to exceed \$1,000,000 of the fees and administrative expense charges made available by subsections (d) and (e) of section 12 of the Bankhead-Jones Farm Tenant Act, as amended (7 U. S. C. 1005 (b)), and section 10 (c) of the Act of August 28, 1937, as amended.

OFFICE OF THE GENERAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, \$2,968,000.

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For expenses of the Office of the Secretary of Agriculture; expenses of the National Agricultural Advisory Commission; stationery, supplies, materials, and equipment; freight, express, and drayage charges; advertising of bids, communication service, postage, washing towels, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture; \$2,668,895: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedure Act (5 U. S. C. 1001).

60 Stat. 237.

OFFICE OF INFORMATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, \$1,359,265, of which total appropriation not to exceed \$537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U. S. C. 417) and not less than two hundred thirty thousand eight hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U. S. C. 241): *Provided*, That in the preparation of motion pictures or exhibits by the Department, not exceeding a total of \$10,000 may be used for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U. S. C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a).

34 Stat. 690.

Yearbook of
Agriculture.

28 Stat. 612.

26 Stat. 742.

60 Stat. 810.

72 Stat. 197.

72 Stat. 198.

LIBRARY

SALARIES AND EXPENSES

For necessary expenses, including dues for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members, \$772,000.

TITLE II—CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year 1959 for such corporation or agency, except as hereinafter provided:

61 Stat. 584.

31 USC 849.

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed \$2,000,000 of administrative and operating expenses may be paid from premium income.

COMMODITY CREDIT CORPORATION

RESTORATION OF CAPITAL IMPAIRMENT

To restore the capital impairment of the Commodity Credit Corporation determined by the appraisal of June 30, 1957, pursuant to section 1 of the Act of March 8, 1938, as amended (15 U. S. C. 713a-1), 52 Stat. 107. \$1,760,399,886.

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed \$35,398,000 shall be available for administrative expenses of the Corporation: *Provided further*, That \$1,000,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further*, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such time as may become necessary to carry out program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered an nonadministrative expenses for the purposes hereof.

64 Stat. 765.
31 USC 665.

TITLE III—RELATED AGENCIES

FARM CREDIT ADMINISTRATION

Not to exceed \$2,125,000 (from assessments collected from farm credit agencies) shall be obligated during the current fiscal year for administrative expenses.

72 Stat. 198.
72 Stat. 199.

FEDERAL FARM MORTGAGE CORPORATION

The Federal Farm Mortgage Corporation is authorized to make such expenditures, within available funds and in accordance with law, as may be necessary to liquidate its assets: *Provided*, That funds realized from the liquidation of assets which are determined by the Board of Directors to be in excess of the requirements for expenses of liquidation shall be declared as dividends which shall be paid into the general fund of the Treasury.

FEDERAL INTERMEDIATE CREDIT BANKS

Not to exceed \$1,693,000 (to be computed on an accrual basis) of the funds of the banks shall be available for administrative expenses for the six months ending December 31, 1958, including the purchase of not to exceed one passenger motor vehicle for replacement only and services performed for the banks by other Government agencies (except services and facilities furnished and examinations made by the Farm Credit Administration, and services performed by any Federal Reserve bank and by the United States Treasury in connection with the financial transactions of the banks); and said total sum shall be exclusive of interest expense, legal and special services performed on a contract or fee basis, and expenses in connection with the ac-

quisition, operation, maintenance, improvement, protection, or disposition of real or personal property belonging to the banks or in which they have an interest.

TITLE IV—GENERAL PROVISIONS

Passenger
motor vehicles.

SEC. 401. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed 466 passenger motor vehicles of which 462 shall be for replacement only, and for the hire of such vehicles.

Employment of
aliens.

SEC. 402. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment under the appropriation for the Foreign Agricultural Service.

Uniform
allowances.
60 Stat. 1114.

SEC. 403. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U. S. C. 2131).

Cotton price
predictions.

SEC. 404. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

Purchase of
twine.

SEC. 405. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

60 Stat. 1082-
1091.
68 Stat. 574.
7 USC 4271.

SEC. 406. Not less than \$1,500,000 of the appropriations of the Department for research and service work authorized by the Acts of August 14, 1946, and July 28, 1954 (7 U. S. C. 427, 1621-1629), shall be available for contracting in accordance with said Acts.

Publicity or
propaganda.

SEC. 407. No part of any appropriation contained in this Act or of the funds available for expenditure by any corporation or agency included in this Act shall be used for publicity or propaganda purposes to support or defeat legislation pending before the Congress.

72 Stat. 199.
72 Stat. 200.
Short title.

This Act may be cited as the "Department of Agriculture and Farm Credit Administration Appropriation Act, 1959".

Approved June 13, 1958.

